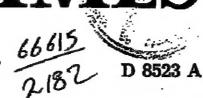


GW Joynson & Company Limited

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Weekend October 31/ November 1, 1987





### WORLD NEWS

### **Berisford** Tebbit to keep job adjusts line on ABF bid for a week

**BUSINESS SUMMARY** 

result of the recent hurricane.

ALUMINIUM prices rallied

from Thursday's two-month lows on the London Metal Ex-

change but were trimmed back

in late trading as sterling strengthened against the dollar. Cash standard metal closed up £51.50 at £1,049 a tonne. Page 19

PARIS CLUB of Western credi-tor nations reached a prelimi-nary accord with Poland to alle-viate repayments due before

the end of next year on much of the country's \$35bn (£20.3bn) foreign debt.

MITSUBISHI Heavy Industries, Japan's largest heavy engineer-ing group, produced interim pre-tax profits of Y15.3bn (264.2m) against Y3.1bn. Page 19

REITISH AIEWAYS intends to defend itself "vigorously sgainst a lawsuit being brought by American Airlines alleging abuse of its position in the UK computerised reservations systems market. Page 4

PORTSMOUTH and Sunderland

Aluminium

1100

Cash Metal (£ per tonne)

Tory Party chairman Norman Tebbit is to remain in his post SAW BERISFORD directors are no longer recommending that shareholders of the diversified until the end of next week, as the search for his successor goes on. He wanted to leave the job

shareholders of the diversified sugar producer reject a £767m cash takeover offer by milling and baking group Associated British Foods.

The move to give no official guidance to shareholders on the bid was taken because of stock market conditions. Berisford's current share price - at 371p - compares with a 400p offer from ABF. Back Page; Details, Page 8 yesterday, to take up various business directorships next week but Mrs Thatcher persuaded him to stay longer.
She had wanted Trade and Industry Secretary Lord Young to take the job, but he withdrew his name after other senior To-ries said his appointment might lead to conflicts of interest. Back Page SUN ALLIANCE, Britain's big-gest household insurer, expects claims worth £64m from homeowners and motorists as a

### Two jailed for life

Assassin Patrick Timlin was given three life sentences at the Old Bailey for murdering a Sikh ers. Gurmail Singh Basra, who hired him, was given two.

### Jury trial pledge by King The Government wishes to re-

turn to full jury trials in North-ern Ireland as soon as possible, Northern Ireland Secretary Tom King said. Page 4

Cuban Mig shot down

Cuba said one of its Mig-21 fighters was shot down in Angola and two crew captured, the first time Havana has made such an 'Spy handed back'

A Soviet army officer was causat spying on the US military in West Berlin on Wednesday but after being detained he was handed back to Soviet officials, the US said.

### iran attacks Baghdad Tension rose in the Gulf again

as an Iranian long-range rocket hit Baghdad, in retaliation for Iraqi sir raids. Page 3

### Licensing reform bill

The Government published a bill to reform licensing laws in-England and Wales, allowing public houses to open 12 hours a day. Page 4-

### **Evening News clased**

the Evening News for the sec-ond time, restoring the London Evening Standard's monopoly

### 'Security men lied'

Officials of Shin Bet, Israel's in-Officials of Sain Bet, Israel's in-ternal security service, have routinely lied during trials of Palestinian suspects for 16 years, an inquiry found. Page 3

### Sri Lanka plan drepped

Sri Lankan President Jayawar-dene abandoned a plan for an interim council to run the northern and eastern provinces before they merge into a Tamil province. Page 3

### Woody Herman dies

Band-leader and clarinet player Woody Herman, 74, died of a heart strack in Los Angeles.

# England on three cit

England, 219 for two, beat Sri Lanka, 218 for seven, in Pune, and will play Australia or India in the World Cup semifinals.

### Mansell crashes

Briton Nigel Mansell hurt his back in a crash during practice for Sunday's Japanese Grand Prix, jeopardising his hopes of winning the championship.

### Dressed to kill

MARKETS

New York lunchtime: DM 1.7255 FFr 5.8665 SFr 1.829

DOLLAR

Y138.2

Philippines President Corazon Aquino said women political leaders faced problems men did not, such as whether to put on make-up during coups.

London: DM 1.728 (same) FFr 5.8725 (5.825) SFr 1.4295 (1.4335) Y138.35 (138.15) Dollar index 98.5 (98.3) Tokyo close Y138.55

### US LUNCHTIME RATES

Fed Punds 61/67/0 3-month Treasury Bills-yield: 5.34% Long Bond: 9833 yield: 9.05%

New York: Comex Dec latest London: \$467.75 (469.5)

# New York lunchtime \$1.724 London: \$1.722 (1.7205) DM 2.975 (2.9725) FFr 10.1125 (10.0225) SFr 2.4625 (2.4675) Y238.25 (237.75) Sterling index 74.6 (same)

## LONDON MONEY

3-month interbank: closing rate 9% (9%)

### NORTH SEA OIL Brent 15-day Nov (Argus) \$18.875 (18.825)

STOCK INDICES

# FT Ord 1.360.9 (+57.5) FT-A All Share 887.33 (+3.7%) FT-SE 100 1.749.8 (+67.8) FT-A long gilt yield index: Righ coupon: 9.3 (9.19) New York DJ Ind Av 1.993.53 (+55.2)

Tokyo: Nikkei 22,765.04 (+731.15)

Chief price changes yesterday: Back Page

Anstria Sch22; Bahrain DinO.650; Berninda \$1.50; Belgium BFr48; Capada C\$1.00; Cypris-CEO.75; Denmark DKr4.00; Egypt EE2.25; Finland PinKr.00; France FFr6.50; Germany DM2.20; Gretze Dr100; Nong Kong MKS12; India Rap.15; Indouesia Rp3.100; Israel RS3.50; Italy L1600; Japan Ye00; Jordan Fids.500; Konsult Fils.500; Lebamir \$1.125; Lincenbourg LFr48; Malaysia Run 29; Mexico Pex.300; Monocco Dh6.00; Netherlands FT9.00; Norway Nind.00; Philipines Rps.20; Portugal Eucl00; S.Arabia Ris.60; Sangapore \$34.10; Spain Pin125; Sri Lanka Rup.30; Section SKr8.00; Sentierlands F72.20; Taman NTS85; Tsailand Bhe50; Tonisia Dio0.800; Turkey 1.500; IJAE Dh6.50; USA \$1.00.

SEILLING PRICE IN IRELAND 600

# **US and Soviet Union** 'to sign missiles pact on December 7'

A BUOYANT President Ronald on when SDI might begin to be Reagan announced yesterday deployed and he agreed there that he and Mr Mikhail Gor. was flexibility in the US posibachev, the Soviet leader, tion on SDI.

Although Mr Reagan's brief would held a summit meeting in Although Mr Reagan's brief which the US and the Soviet al. issues unclear, there was no Union would sign an accord eliminating intermediate range missiles.

To you know I hadn't thought about that until were sitting in the Cal Room in this recent meet and I thought to my Wouldn't it be wonderful.

No. 30,377

ministing intermediate range nuclear missiles. Appearing before the White House press corps with Mr Ed-uard Shevardnadze, the Soviet Foreign Minister, at his side, Mr Reagan said that Mr Gorbachev had written him a letter which was forthcoming and states-manlike in tone.

Mr Resgan also expressed op-timism about the prospects for a Moscow summit in 1988 and the possibility that an agreement might be reached on cutting by half the long range or strategic nuclear weapons, which are militarily much more signifi-

cant.

Asked whether Moscow had shifted its position and had dropped its insistence that the 50 per cent cuts in strategic missiles should be linked to agreement by the US to curb its Strategic Defence Initiative (Star Wars), Mr.Rengan hedged. He said that Moscow was not linking the two issues in the sense of making one a condition sense of making one a condition for the other."

at issues increar, there was no mistaking the upbeat tone of his replies at the end of several days during which Washington has been waiting anxiously to see whether the Soviet Union

Last week Mr Gorbachev, told Mr George Shultz, the US Secretary of State of State, at a meeting in Moscow, that in spite of earlier Soviet assurances, he was not ready to set a summit date.

Abruptly on Wednesday of this week, however, Moscow an-nounced that Mr Shevardnadze nounced that Mr Shevardnadze would visit Washington - a move which raised speculation that there had been a change of heart in Moscow, it remains unclear, however, what might have brought about the shift.

Officials in Washington, who have been battered by one dispensionment, after another in

appointment after another in the past three weeks, were clearly jubilant at the decision. At one point Mr Reagan was asked the significance of holding a summit on December 7, that 1 the day on which Americans ing p commemorate the Japanese attack on Pearl Harbor which stay.

World War.
In a moment of inspired public relations Mr Reagan replied:
"Do you know I hadn't even thought about that until we were sitting in the Cabinet Room in this recent meeting? And I thought to myself. "Wouldn't it be wonderful if Pearl Harbor day would become superseded by the day that we began the path to peace and safety in this world through disarmament?"

Announcing the agreement on a summit, Mr Reagan said that Mr Gorbachev has accepted my invitation to come to Washington for a summit, beginning on December 7. At that time we expected the summit of pect to sign an agreement elimi-nating the entire class of US and Soviet intermediate range nuclear forces.

He made it clear, in response to questions, that some details of the INF accord, dealing in particular with verification, had yet to be settled.

Mr Reagan also hinted strong by that the Washington summit would be a brief one rather than the extended tour around the United States for which the US has been pressing. He said that Mr Gorbachev had scheduling and belief that Mr Gorbachev had scheduling and indicated that the said that Mr Gorbachev had scheduling and indicated that ing problems and implied that these would preclude a lengthy

# **Small investors** in buying spree for BP shares

SMALL INVESTORS joined in a buying spree for British Petroleum's shares yesterday which took the market price well clear of the 70p floor level set by the Bank of England in an emergency support operation the previous night. However, the closing price of small investors who had passed up the opportunity of the closing price of the property of the property

However, the closing price of 85p was still far short of the 120p at which the partly-paid stock had been sold in the world's biggest-ever equity of-

world's biggest-ever equity of-fering.
The 70p price at which the Bank of England promised to buy EP's partly-paid shares had been carefully chosen as the 'theoretical value of the stock at the previous night's close.
However, the Bank calculated that many investors would be that many investors would be prepared to pay more for the shares because of the very high dividend yield they offered and

because of the potential for large percentage gains in capital value.

Helped by a fair wind from the rising London stock market, the shares opened at 88p and hovered between 88p and 90p before easing back alightly to close at 85p. Volume in London was around 130m, making it easily the most actively traded

stock.
Dealers suggested that some of the underwriters, particular-

TOKYO: Wall Street's overnight rally and a firming of the dellar sparked the third-biggest sin-gle-day price rise. The Nikkei Average added 731.15 points to close at 22,765.04.

LONDON: The Government's safety net under the BP issue busyed sentiment as did the rally on Wall Street. The FT-SE 180 cifeed up 67.8 at 1,748.8.

SYDNEY: Concern over falling

World stock markets

NEW YORK: Wall Street railied 25.61 points which closed at for the second day running with 2,246.12.
the Dow Jones Industrial Aver-

the Dow Jones Industrial Average near 2,000 for most of the day and closing up 55.2 at 1993.53.

FRANKFURT: Demestic buyers came back to the market. The mid-session Commerciank Index

builties prices and weakness of JOHANNESBURG: Share prices

the Australian dellar blunted an closed mixed with the all-go early rally. All-ordinaries index index ap seven points at 1,831. closed up 8.1 points at 1,232.1.

singapone: The stock market staged its first solid rally of the week. The Straits Times Industrial Index closed up 6.13 per cent to 3,865.40.

TORONTO: The strength on Wall Street spilled across the border.

TORONTO: The strength on Wall Street spilled across the border and helped busy Canadian share prices. The composite index closed up 146.94 at 2,619.27.

and closed up 15.32 points at 322.15 on the all-share index. STOCKHOLM: Prices rebounded and the all-share index closed closed up 146.94 at 2,619.27.

passed up the opportunity of buying shares in an equity of-fering doomed to failure had gone bargain-hunting for the shares in the after-market. The special dealing arrange-ments set up by the Government

Markets in turmell, Page 2: Out of the valley of death, and Editorial comment, Page 6; World Stock Markets, Page 11; Markets recover, and Lex, Back Page; Week in the mar-hets, Weekend Section II

apply to buyers as well as self-ers. However, the National Westminster Bank, lead receiv-ing hank to the issue, said yesterday it had withdrawn its on-the-spot dealing service for small investors because of lack

N.M. Rothschild, the merchant bank which sponsored the issue on behalf of the Gov-Continued on Back Page

ZURICH: A bread-based rally left the Swiss Bank Industrial index up 25.1 points at 535.16.

MADEID: Shares moved well ahead and the general index rose 19.23 points to 222.68.

MILAN: Prices moved salidly ahead with the Milan Index up 4.58 per cent at 754.

The spotlight switches from equities to bonds

### **WEEKEND REPORT**

Unit trusts

**HOW TO** 

...on shoes

PXXI

TRAVEL

PX

Investment Race

# **BCal** in discussions with potential foreign partners

OPEC said petroleum exports fell 41.5 per cent in value to \$77.1bn (£44.8ba) last year as the world oil price fell. world oil price fell.

BANK SAVINGS: The Japanese have an average bank savings of \$27,303 (£15,874) per person-double last year's \$13,135 figure and almost three times the average \$9,733 held by an American said the Internation of the Intern

said the International Savings
Bank Institute.

JAPAN'S trade surplus in goods and services fell to \$8.38bn (£4.87bn) from \$9.24bn last month, its fifth consecutive year-on-year drop.

BCal is determined not to be caught out if the UK Government forbids the takeover or attaches conditions unacceptable to either partner after the Monopolies and Mergers Commission submits its report next week.

TOSHIBA MACHINE, machine tool offshoot of Japan's Toshiba electronics group, reported an interim pre-tax loss of Y35m (£147,000) against profits of Y1.3bm, with exports hit dramatically following its illegal export of goods to the Soviet Union. Page 18 least £30m, to London Tara Ho-tel, subsidiary of Aer Lingus, the Irish airline. BCal said BA

tion. Announcing the hotels dis-posal, Sir Adam Thomson, BCai chairman, said BCal was dedi-cated to seeing through the evo-July,

the proposed merger not prove possible, cash raised from the sale of the hotel operation will assist the fulfilment of alterna-

The BA share offer was worth \$257m when it was launched it July, but the stock market crasi lution of its airline interests, has reduced its value to £157m. ideally through the merger of Although some US and UK comthe airline with British Airpanies have pulled out of takeways, but with alternative op-Sir Adam also said: "Should is unhappy with the terms it is

possible, cash raised from the sale of the hotel operation will assist the fulfilment of albernative strategies for the airline.

BCal made clear last night:

"We're not in hard discussions with anybody." If the BA merger failed to take off, however, it stakes in hotels at Gatwick and Branile and presenting fast." A \$23.5m loss on airline operations pushed the unquoted BCal group into an overall deficit of \$19.3m in its 1986-37 financial year.

The 2000 rooms will raise the total operated by the Aer Lingus and Spain.

The 2,000 rooms will raise the total operated by the Aer Lingus and Spain.

### did not object to the transac-Strict ship safety law planned

BY KEVIN BROWN, TRANSPORT CORRESPONDENT THE GOVERNMENT is to intro- lawful killing on 187 of the

THE GOVERNMENT is to introduce legislation allowing unlimited fines for shipping companies convicted of neglecting safety regulations. Both managers and ships' crews would face up to two years in prison.

The Merchant Shipping Bill, published yesterday, provides, clear grounds for prosecution where companies or individuals can be shown not to have taken and sure that a disaster like the "all reasonable store" to make one which struck the Herald of

Newspapers group, UK printer and publisher, saw interim pre-tax profits rise from £948,000 to £2.49m. Page 8 GLOBE INVESTMENT Trust, Britain's biggest investment trust, increased interim attrib-"all reasonable steps" to make sure ships are operated safely. The proposals follow contro-versy over responsibility for the loss of the Townsend Thoresen utable profits 12.5 per cent to. £124m. Page 8 RHP GROUP, precision engineering group, bought Minnesota-based fire detection company. Detector Electronics Corporation for \$21m (£12m) cash. Page 8

loss of the Townsend Thoresen vehicle ferry Herald of Free Enterprise, which capsized off Zeebrugge seven months ago with the loss of 188 lives.

A public inquiry chaired by Mr Justice Sheen concluded that Townsend's "aloppiness" was a contributory cause of the accident, but ruled that no criminal offence had been committed.

Mr Channon said spot checks on ferries were being stepped up, and safety features such as bridge warning lights, closed-circuit television monitoring and emergency lighting would become mandatory next year.

He said the Government was pressing other European Governments to introduce similar requirements, and warned that some safety measures would be

one which struck the Herald of Free Enterprise should never happen again, he said.

Mr Channon said spot checks

However, there has been introduced unilaterally if the type of ships which can be slaughter to be brought against Peninsular and Oriental Steam Navigation, which acquired

ship to sall with its sea doors open. This was identified by the Sheen inquity as the immediate cause of the Herald accident.

Ministers have rejected calls for enforcement of safety regulations to be removed from the Transport Department, which was accused at the inquiry of maintaining a "coay" relationship with the ferry companies.

The bill provides, however, for the establishment of a Marina Accident Investigation. rine Accident Investigation Branch, separate from other maritime units and reporting direct to Mr Channon.

The bill also proposes major changes in the law governing the shipping registers maintained by dependent tarritories, all of which are technically part

of the UK register.
Dependencies will have to

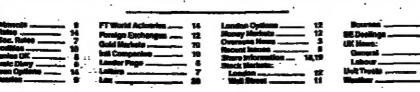
slaughter to be brought against reached.

Peninsular and Oriental Steam
Navigation, which acquired operating out of British ports vessels in the UK. This is introduced to end registration of safety standards, be they British ports the accident.

Mr Allan Green, the Director is of Public Prosecutions, is controlled the Covernment has already to the UK under the European sidering what action to take following inquest verdicts of unspecific offence to allow a cries Policy.

### **CONTENTS**

The Chancellor and the BP share sale: Out of the valley of death .................................. 6 Man in the News: Xu Jiatun, Peking's man in Hong Kong ..... Editorial comment: A floor under the A turbulent week for the Government: Tory populism in action ..... US labour leaders conference: "We win because we will not quit" ..... Soviet Union: Politburo tension over



# IMPORTANT ANNOUNCEMENT

# WARDLEY **BRITISH WINNERS**

### **Investing in Britain's Best Managed Companies**

The New Wardley British Winners Trust, which was launched on 9th October 1987, had made no investments before Monday, 26th October 1987. This means that the opening portfolio is being constructed with shares which have been bought at prices after the recent major falls in the UK stockmarket.

In Wardley's view, the opening portfolio will represent excellent fundamental value and we remain firmly optimistic over the fund's long term future due to the underlying strength of the British Economy and the investment philosophy of the fund to invest in Britain's best managed companies.

For details of the fixed price and bonus offers which end on November 4th and 11th respectively. please call 01-382 9927 today or write to British Winners, Wardley Unit Trust Managers Limited, 99 Bishopsgate, London EC2P 2LA.







THEATRE

Michael Coveney examines the effect of mixed funding on regional theatre PVI -

THE CRASH

PIV-VIII

PXV-XIX

SPEND IT

Winter sun

FINANCE

Results of the Great

PTV-VIII

HONG KONG: Institutions sold AMSTERDAM: Prices fluctuated late an early rally and trimmed with the all-share index closing gains on the Hang Seng Index to 4.1 points up at 73.6. **TO INVESTORS** 

# TRUST

### **Bell Group** may launch bid in hunt for cash

By Bruce Jacques in Sydney

MR ROBERT Holmes a Court, the Perth entrepreneur, was thought yesterday to be considering making a takeover bid in Australia in the hope of restoring cash flow to his corporate empire, the market valuation of which has been savaged in the last fortnight

last fortnight.
Shares in Bell Group, his flagship, have been cut from a peak A\$10.60 to close yesterday in Sydney at A\$2.90 while those in Bell Resources, his energy and mining investment vehicle, have been slashed from their high of A\$6.40 to A\$1.50 in the shake-out.

Analysts believe that the fall Analysts believe that the fall in the value of his shareholdings - mainly the near-30 per cent which Bell Resources holds in Broken Hill Proprietary, Australia's biggest company - means that its shareholders' funds may have been released. ers' funds may have been wiped

The market is worried that debt servicing bills could outweigh cash flow by A\$30m (\$20m) a year and in the absence of share trading profits, which will be harder to earn in a bear market, the earnings outlook is bleak. This has led to speculation that Mr Holmes a Court will be forced to wake a weight be forced to make a major acquisition giving him access to

The most likely candidate being identified in the market yes ing identified in the market yes-terday was Pioneer Concrete Services, the building products and resources group. Specula-tion grew that Bell Resources would launch a bid worth at least A\$1.7bn for Pioneer, in which Bell already holds just

under 17 per cent.
It bought this stake from Mr.
Larry Adler's FAI Insurances in August at A\$4 a share. All par-ties were tight-lipped yesterday and Pioneer shares reacted somewhat to the speculation, recovering 20 cents to A\$2.90.

The rumours were quite specific, with analysts predicting that a Bell bid for Pioneer would come in the form of convertible bonds transferable into shares in BHP. Pioneer would fit the bill well, possessing a number of large assets which

Analysts have calculated that Pioneer's current capitalisation of about A\$1.7bn is as much as A\$1bn below the saleable value

# The fall of the US dollar has shaken Japanese confidence, Stefan Wagstyl writes from Tokyo

# Doubts emerge over commitment to Louvre Accord

JAPANESE investors' confidence in the US dollar has been severely shaken by the American currency's decline this week. They have serious doubts week. They have serious doubts about whether leading industrialised countries in the Group of Seven remain as firmly committed as they claim to the Louvre Accord - the agreement to maintain stable exchange rates.

An analyst at Nomura Securities, Tokyo's biggest stockbroker, said yesterday that investors "had concluded that the G7 agreement has already col-

agreement has already col-Investors are extremely wary about predicting an immediate heavy fall in the dollar - say, be-low Y130 - in the face of massive action by central banks this week to support the US currency above Y137. In Tokyo the dollar closed higher at Y138.55.

Mr Susumo Taketomi, senior financial economist at the Industrial Bank of Japan care

financial economist at the Industrial Bank of Japan, says:
'Central banks have successfully scared investors away from speculating against them. There is an equilibrium of terror."

Nevertheless, in Tokyo the belief is widespread that the Louvre Accord is now being interpreted by central bankers as

an agreement to slow the dol-lar's slide rather than to stop it.

Nomura Investment Research
Institute, a Nomura affiliate,
believes that the dollar will
now trade in a range of Y125 to
Y140, instead of the Y140 to
Y150 range it has traded in for
most of the nest year. Daiwa Semost of the past year, Daiwa Se-curities Research Institute, a subsidiary of the second largest stockbroker, forecasts an average rate of Y137 for next year.
The critical test of Japanese investors' faith in the US dollar will come next week when the US Treasury auctions \$28bn of bonds in the quarterly refinancing of its debt. Japanese have typically bought a third of the

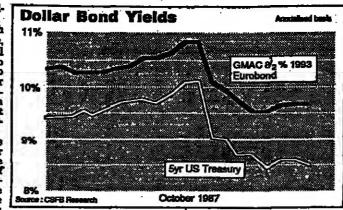
issue in the recent past - if they buy significantly less it will be proof that they do not trust the greenback.

greenback Yamaichi Investment Trust

Management, a subsidiary of

Yamaichi Securities, the stockbroker, was quoted yesterday as saying that had 'no intention to bid at the moment'. But Sumitomo Trust Bank said it would

The Japanese Ministry of Fi-nance and the Bank of Japan are at one in their insistence



last February, still stands. They maintain exchange rates at say there are no plans to call a meeting of G7 finance ministers.

Mr Klichi Miyazawa, the Fi-Mr Kilchi Miyazawa, the Fi-Mr Kilchi Miyazawa, the Finance Minister, said yesterday that the accord had not been breached by the dollar's fall below Y140. The accord did not contain a pledge to defend a specific floor.

In an interview yesterday, a senior Bank of Japan official said that the Louvre Accord

different view....(but) the idea of current levels had some flexibility from the start and still has, said the official. He said the Bank of Japan was now carrying out a study of the impact of the stock market turmoil on real economies. He hinted that Japan's view of the

Japan and other central banks is that talk of flexibility immediately starts investors thinking that resolve is weakening and the dollar will fall.

the dollar will fail.

Moreover, one indirect effect
of the stock market plunge has
benefited the dollar. In rushing benefited the dollar. In rushing to sell Japanese stocks foreign investors have repairiated finds and sold at least \$10bn of yea. But foreigners' sales of Japanese equities slowed rapidly towards the end of this week. So central banks interened buying an estimated \$3bn

of dollars.
In addition, the pressure on the dollar has been lifted slightly by the Bank of Japan's moves to ease domestic credit supply. The bank, which had threatened before the stock market crisis to tighten credit, has now done the opposite - buying Y500bn of commercial paper in the last week. This has helped bring down short-term interests by about half a percentage point Long-term rates on government bands have fallen fasernment bunds have fallen fas-

light of the study - but he said it ter still - from more than 6 per was too early to say in what dicent to about 4.5 per cent on the rection, if any, policy might benchmark 39th issue bond. The senior central bank offi-The difficulty for the Bank of cial interviewed yesterday saw

no contradiction between a short-term policy of easing rates to help the market through its current turmoil and a long-term policy of controlling money supply to prevent any re-surgence of inflation. The official agreed that cen-

tral banks were in effect trying to win time while policy changes in the US and else-where took effect. He echoed the views of Mr Miyazawa and others that US measures to deal with the external and budget The Japanese Government's

view is that moves in Washing-ton to discuss deficit-cutting steps mean no meeting of the G7 is necessary for the moment. There is hope at the Bank of Japan that enough has been done this week to make sure enough Japanese investors take have tried to stabilise the market. There is a very good chance

### London market steadier after two-day recovery

THE LONDON stock market looked a much brighter place yesterday after share prices staged a further recovery - the staged a further recovery the first two consecutive days of im-provement since the bottom fell out of the world markets on Black Monday, October 12. The City was too shaken by the events of the past fortnight the events of the past formight to celebrate the rally, which still leaves the market some 25 per cent down on the week. But the occasional glass should have been raised to Mr Nigel Lawson, the UK Chancellor of the Exchequer, following the successful launch of the £7.2hn Exities Describe the successful launch of the £7.2hn Exities Describe the successful launch of the £7.2hn successful launch of the £7.20n British Petroleum share sale.

The BP new shares easily topped the market's active stocks list, although only a small proportion of the 2.20n shares on issue changed hands. The closing price was more than 40p below the price underwritten by the major British and foreign securities houses. foreign securities houses.

The London market behaved extremely well', said a trader at a large US bank. Gold futures.

and gold shares fell, indicating a return to investment funda-mentals, away from last week's fear-driven activity. However, market turnover was disappointing, and interna-tional stocks closed off the top as some analysts expre

vousness over prospects for sterling an unsettled. British Government bonds gave back some of their recent gains as the UK funds raised cash to meet the BP trading launch. Hopes of another cut in launch. Hopes of another cut in UK base rates subsided. The dollar's inability to hold its initial improvement disappointed London. While the mood of the UK markets has steadied over the past two trading sessions, UK traders remain very nervous. The avoidance of recession (in the US) next year requires that the US Federal Reserve is able to bring down interest rates without unday undermining the dollar, clients of a major UK trading house were warned yesterday.

**US** official warns of worsening trade deficit

THE US trade delicit is unlikely to improve this year and may worsen, Mr Robert Ortner, Under Secretary of Commerce for Economic Affairs said yester-

day. But there were no indications of an imminent US recession, and he anticipated a deficit of \$155bn to \$160bn, compared to \$156bn last year.

The rising US trade deficit and the associated levels of US formed to have been sent to the compared to the special part of the compared to the special part of the compared to the compared to

and the associated levels of Us foreign borrowing have been at the root of financial narbets' fears. Despite the depreciation of the US dollar, the deficit has stubbornly refused to reserve its trend. Economists fear that if the deficit is to fall, the dollar may have to fall further, In testimony to the House-Senate Joint Economic Committee, Mr Oriner said it could be four to five years before the deficit was eliminated, though he anticipated monthly deficits slowing towards the end of the year. He warned that a move towards greater trade restrictions would cut off the US rapid

would cut out the US rapid growth in exports.

Mr Oriner played down the ef-fects of the trade deficit on the US economy, which, he said, 'shows resiliency under severe pressure'. Asked whether he was concerned about the growth of the US foreign debt. growth of the US foreign debt he said: "Whether it will destroy our economy, I don't think that's the case at all."

Others at the hearings were more pessimistic. Stephen Mar-ris, senior fellow of the Institute for International Economics, told Congress that once the shock waves settle, the markets are going to start worrying again about next month's trade figures and we are likely to see renewed downward press the dollar and upward pressure on US interest rates."

He went on to warn that it may be too late for monetary policy to avoid an accumulation of weaknesses leading to a re-

# City acclaim for BP safety net

newly issued shares recalls the proclamation to be found on ev-ery English bank note: "I prom-ise to pay the bearer on demand

In this case, however, the fig-ure is not a number of pounds, but the 70p it is offering to pay for every partly-paid BP share which cannot find another home at a higher price. The Bank did not pick up any of the partly-paid shares under



trading began yesterday after-noon. Quite apart from the fact that the shares were trading at a figure considerably higher than 70p in the market, the arrangement is not in place yet. It is due to come into operation by the end of next week.

Details of the plan have therefore yet to emprove but it is in fore yet to emerge, but it is in essence simple enough. The

If all goes to plan the Bank of England won't have to buy any BP shares, writes Richard Tomkins

the after-market.

Dealings are expected to take place through normal stock market channels, and it is highly unlikely that the Bank would deal direct with the public. In the event that its offer is taken up, subsequent disposals would not be made for at least six months after the offer closed and in an a way which would not upset the market. The assumption is that the stock would be placed with institutional investors at the prevailing market price.

Bank has undertaken to buy the partly-paid shares at 70p not just from those who bought the stock in the BP share offer or took it up as part of their underwriting commitments, but also from anyone who acquires it in the after-market.

Dealings are expected to take place through normal stock market channels, and it is highly unlikely that the Bank would deal direct with the public. In the event that its offer is taken below the 70p mark, it could stand to pick up mark, it c persist up to and beyond the point where the Bank's commit-ment expires. The plan is for the commitment to last for be-tween one month and two, with the expiry date likely to be announced at the end of the first

this time the stock market will have steadied enough for the Theoretically, the arrangement leaves the Bank highly exposed to another tumble in the stock market, for if BP price safety net to prove unnecessary.

If it has not, there would be nothing to prevent the Bank an-

The plan won warm acclaim in the City yesterday. Many stock market analysis thought it stock market analysis thought it would probably have proved unnecessary in any event because of the partly-paid shares were expected to open considerably above the 70p floor price. But they agreed that it was useful in removing any possibility of a wave of panic selling, especially by the underwriters with whost almost all the stock had been dumped.

If the Bank of England does pick up any shares in BP as a result of the scheme, it will not be for the first time. On January be for the first time. On January 23 1975, it acquired a stake of no fewer than 78m BP shares as a side-effect of its rescue operation for Burmah Oil. The Bank has little desire to repeat the experience; and if all goes according to plan, it will not be called upon to do so.

### **OVERSEAS NEWS**

# Politburo row reveals tensions on reform

A PUBLIC row between Mr Bor-is Yeltsin and Mr Yegor Ligach-ev, two of the best-known mem-bers of the Soviet Politburo, has highlighted the tensions and frustrations felt among Soviet leaders at the slow pace of po-litical and economic reform. litical and economic reform.

Mr Yeltsin, radical leader of and a non-voting member of the politburo, seem to have told the party Central Committee meetng on October 21 that perestroi structuring) in the capital was being frustrated by covert opposition in the bureaucracy.

He was then criticised by Mr Ligachev, number two to Mr Mikhail Gorbachev, the Soviet partyleader, who told the Polit-buro that Mr Yeltsin's difficulties in Moscow were of his own In spite of unconfirmed re-

in spite of uncontrined re-ports that Mr Yeltsin had of-fered to resign, his staff said yesterday he was still at work in his office. Even if he were to p down, this would be unlikeiy until after the celebrations next month of the 70th anniver-

Police hold 88

in Malaysia 'to

prevent clashes'

POLICE have arrested 88 peo-ple this week, including 11 members of parliament, in a crackdown aimed at prevent-

ing Malay-Chinese racial clashes, authorities said yes-

terday, AP reports from Kuala

They said three arrests were made in Sarawak, the east Ma-

laysian state on Borneo island, expanding the widening ring of arrests outside peninsular

Mr Mahathir Mehamad, the Prime Minister, said the ar-rests, along with the closure on Wednesday of three newspa-

cessary to prevent race ricts.

Police set up readblocks in various parts of Kuala Lum-pur, which has a population of im, and conducted searches on

Mr Mahathir told Parliament that unspecified actions by Ma-lay and Chinese politicians in

the governing National Front coalition and the opposition Chinese-backed Democratic Action Party, and by Individu-

als, newspapers and magazines had aggravated racial tension.

Those actions, he said, have

made it appear his Malay-led government is oppressive to the Chinese and Indian miner-

pers and a ban on rallies, w



Baris Yeltsin:

A week of talks between se-nior European Commission offi-cials and a delegation led by Mr Tibor Antalpeter, the director

general of Hungary's foreign trade ministry, have ended af-ter a series of sharp exchanges. The sides reached deadlock over the extent to which the EC

should lift quotas on Hungarian imports in return for better market access for community

exporters. As a result, the EC's

when to meet the Hungarians

negotiators will have to consult the rules of the General A member states before deciding ment on Tariffs and Trade.

policy differences among the Soviet leaders. These are not, as they are ometimes described, between radicals and conservatives in the sense of people who want to maintain the status quo of the Brezhnev era. The real division is between outspoken propo-Yeltsin, and more cautious leaders such as Mr Ligachev who want perestroiks without The differences between Po-

lithuro reformers, principally over political and cultural rather than economic restructuring. er than economic restricturing, have become more acute as members dating from the Brexhnev era have dropped out. Eight of 13 members of the full Politburo, and four of six non-voting members, have been appointed since Mr Gorbachev became leader in 1925.

sary of the Bolshevik revolution.

By breaking ranks semi-publically (details of what was said at
the meeting are sketchy because no full report was published), Mr Yeltsin gave vent to

EC and Hungary talks stalled

HUNGARY and the EC have encountered potentially serious June following informal approblems in their attempts to
forge a trade and co-operation
accord.

again. Negotiations started last don import quotas in phases,
but with no fixed timetable,
proaches from the East Europewhile Hungary wants a firm and
accord.

an country.
Hungary is seeking more ex-

tensive links with the Communi-ty than Romania or Czechoslo-

vakis, the only other European members of Comecon, the Sovi-et-led trading bloc, seeking bi-lateral links with the EC. But it

mecon-made goods, several hundred of which come from Hungary, which maintains that

the restrictions are counter to the rules of the General Agree-

EC to meet on safe food levels

also wants tongher terms.
Brussels maintains import quotss on more than 2,000 Comecon-made goods. Saveral

ment on Tariffs and Trade.

Brussels is prepared to abanal produce and chemicals.



tween 1965 and 1983, when he

while Hungary wants a firm and detailed commitment to trade liberalisation. The EC is unwill-

ing to go that far for what is still a state trading country, despite

its attempts at economic re-

cit with the Et. Community ex-ports to Hungary, mostly me-chanical engineering and transport equipment, were Ecu2.45bn (£1.17bn) last year,

while Hungary sold Ecul.9bn of goods to the EC in the same pe-

1985 and soon superseded Mr Viktor Grishin, a typical prod-uct of the Brexhnev era, as city leader. Grappling with the enormous problems of the Sovi-et capital, whose facilities are manifestly inadequate for its 8.7m people, he established his reputation as an eloquent advo-cate of reform. Yet, since 1986, Mr Ligachev

while advocating economic and political change, has repeated the basic message that retructuring is beginning to show results. This is in sharp contrast with Mr Yeltsin, who has said—and seems to have repeated last week to the Central committee - that changes so far are only cosmetic and more radicalism

The tension between radical and cautious reformers is likely to be the central feature in Soviet politics for the foreseeable future, as it has been in China since 1978. The Soviet party's daily newspaper Pravda said yesterday in an editorial that the bureaucracy was the worst was brought to Moscow by President Yuri Andropov. In charge of personnel, he weeded out corrupt party officials and Brezhney proteges.

Mr Yeltsin, party leader in and most dangerous enemy to-

rea next week to put pressure on Seoul to grant EC exporters the same patent protection as their US competitors.

A delegation led by Mr Jos Loeff, the commission's deputy director-general for external relations, will hold talks on Monday and Tuesday with Mr Soon Young Hong, the Korean junior foreign affairs minister.

The dispute over whether EC

expected to repeat earlier warnings that the EC might withdraw the import concessions which Korea, like other developing countries, gets under the generalised system of preferences (GSP), unless it gets satisfaction. This is the first time the EC has threatened to withdraw GSP status. withdraw GSP status.

Although Korea has hinted it is prepared to give EC compa-nies the same protection as their US counterparts, Brussels wants to keep up the pressure to ensure Seoul acts fast.

The commission wants retroactive patents protection going back between five and seven years for EC companies.

### Italian inflation 'likely to reach 6%'

cent by the end of 1987, ac ing to the Bank of Italy. The central hank forecast, which is compared with an initial government forecast of 4.5 per cent, confirms extensive concern about a rise in Italy's consumer price index.

The Bank of Italy says, in its October economic bulletin, that the rise in inflation can be traced partly to increases in VAT and in taxes on tebacco,

After touching a minimum of 4.2 per cent, the inflation level reached 5 per cent in September and is new about 5.5 per cent. Some economists fear the rate could exceed 6 per cent are the rate of the rate could exceed 6 per cent are the rate of the rate could exceed 6 per cent are the rate of the rate cent early in 1988.

### Obstacle to Manila debt pact removed

THE PHILIPPINE Government and creditors of a private fertiliser company in the country have reached agreement on a \$56.5m (£32.8m) debt that has held up the Philippines debt rescheduling agreement, bankers and officials said, Reuter reports from Manila.

A senior foreign banker said A senior foreign banker said that lawyers for both sides exchanged final draft documentation on Thursday. He said that, as part of the compromise, the creditors of Planters Products, led by Barclays, have agreed to a 15 per cent forgivaness of principal.

The banker said the fresh compromise involved the pure

compromise involved the pur-chase of Central Bank debt pachase of Central Bank debt pa-per on the secondary markets for use in raising foreign ex-change to redeem Planters promissory notes from the creditor banks. The Govern-ment is to pay Planters 397m pesos (£11.7m) in ansubscribed capital and compound interest, and to let the company, on pa-per, redeem its own debt, he said.

However, because of prevail-

### Fermenta to sue former executives for damages BY SARA WESE, STOCKHOLM CORRESPONDENT

THE board of directors of Fer-ments, the Swedish animal the Companies Act.

health and chemicals group, is to file suit for damages of more than SKr450m (£42.2m) against trol mechanisms in place in the three former Fermenta board accounting and fund managemembers.
Ferments was saved from fi-

rements was seven from francial collapse earlier this year after financial irregularities were discovered in its book-keeping under a previous man-The three are Mr Goesta Bys-

tedt, the former chairman of Fermenta and deputy chairman and chief executive officer of Electrolux, the household ap-pliances group; Mr Leon Nor-din, a Fermenta board member and director of Pierrel. Fermanaging director of his own managing director of his own management consultancy group, Leon Nordin Manage-ment; and Mr Ove Sundberg, who has served as managing director and chairman of Fermen-ta (and whom employees nicknamed Jesus because few had actually seen him but most be-lieved in his existence). He is also a former chief executive of Kemanobel.

The complaint filed by Fermenta's legal counsel states that:

The former board of direc-

ment functions of the company, thereby allowing Mr Refast El-

Sayed, the former chief executive, to divert company funds for his own benefit.

The directors should comor the directors should com-pensate Ferments for SKrl.3m in fines imposed by the stock exchange last year for breaches of the registration contract. Mr Bystedt, Mr Nordin and Mr Sundberg, along with other board members, resigned at a

Company of the Control of the Contro

board members, resigned at a crisis shareholders meeting last December when it emerged that Fermenta's entire profit fore-cast of SKr700m for 1996 would be wiped out. Fermenta showed a loss of SKr613m (before tax

and allocations) in 1986.

Mr El-Sayed, who was recently declared hankrupt by a Swedish court, is under investigation

ish court, is under investigation by the public prosecutor for suspected emberalement and fraud.

Fermenta said it would not file suit for damages against Mr Ei-Sayed as he is unable to pay back the money. However, the company said it may file suit for damages against other former board members in future.

the Greek Cypriots, who have

insisted agreement must be reached on the withdrawal of Turkish troops from Northern Cyprus before the new constitu-

tion is implemented.

# Denktash challenges UN

MR RAUF DENKTASH, leader of the Turkish Cypriot commu-nity, said yesterday that the self-styled Turkish Republic of Northern Cyprus (TRNC) would actively seek international rec-ognition if the UN General Assembly voted for an international conference on Cyprus.

Mr Denktash, speaking in London, said if the UN body did vote for an international conference it would automatically put an end to the efforts by Mr Javier Perez de Craller, the UN vier Perez de Cuellar, the UN

vier Perez de Cuellar, the UN
secretary-general, to achieve a
negotiated solution to the Cyprus problem.

The Turkish Cypriot leader
said the TRNC, which has so far
been recognised only by Turkey, had not "knocked on doors"
to seek international recognition so as not to unset Mr Perez tion so as not to upset Mr Perez de Cuellar's mediation mission. However, the

UN secretary-general's proposals for a federal system of govern-ment, accepted by the Turkish Cypriots, have been rejected by



### In the meantime, the present strict maximum permitted ra-dioactivity levels, set in the aftermath of the Chernobyl nuclear accident, will continue to mission before foreign minisapply until midnight on Sunday ters try to make an agreement. ters try to make an agreement. Britain, France and Spain were Member states were supposed continuing to argue that the EC to decide by today on permanent food radioactivity limits to and set much higher radiation replace the emergency post-levels than at present. Chernobyl rules. A meeting of They are opposed by West

FOREIGN MINISTERS of the EC ambassadors tried fruitless-EC are to stage an emergency meeting next Thursday to make a final attempt to agree on safe levels of radiation in food.

EC ambassadors tried fruitless- ly to sink big differences over meeting next Thursday to make what limits to accept in the event of a nuclear accident before breaking up late the previous fore breaking up late the previous commonwise for the emporary commonwise for the emporary commonwise for the expension of the expen ous night.

They will now report back to their capitals on the latest scientific evidence from the com-

temporary compromise for the next week to avoid the chaos that a legal vacuum would bring to the food industry.

The commission has sug-gested radiation levels some-where between the two sides' demands, more with the aim of seeking a politically acceptable solution than with the intention of following the letter of its own

### EC will press Seoul on patent protection

SENIOR European Commission officials are to visit South Ko-

companies in Korea get ade-quate protection against coun-terfeit competition has become The commission delegation is

nowever, occause of prevail-ing discounts on Philippine debt paper and the higher for-giveness of principal, the banks had effectively written off about two-thirds of the debt, he added.

de l'espirat

### Sri Lanka scraps plan for interim councils

By Mervyn de Silva in Colombo

SRI LANKA'S President Junius Jayawardene revealed yester-day he had scrapped the idea of an interim administration council to run the northern and east-

The Sri Lankan leader, who leaves for Nepal tomorrow to at-tend the seven-nation south Asian summit, spoke to foreign correspondents for over an

With the Indian peace-keep-ing force mopping up the last pockets of Tamil resistance in Jaffna, and his government facing a new threat from Sinbalese extremists, Mr Jayewardene was asked about the adminis-trative arrangements in the peninsula, where the curfew is still on but the restoration of all basic amenities has been prom-ised within a week by Major-General A S Kalkat, the Indian

commander.

Political and administrative structures would be in place only after the provincial council polls, he said. He hoped to hold elections throughout the island before the end of the year. The draft bills, now before the full beach of the supreme court, to determine their constitutionalidetermine their constitutionality, would be passed by parlia-ment in late November, he ad-

ded. Mr Jayewardene denied reports that a large team of Indian civil servants would arrive in the island shortly to take charge of the administration of the of the administration of the north. Since polls would be held within two months, the peace-keeping force would run the affairs of the north, with the help of some Sri Lankan and Indian officials, he said.

Describing the JVP as "anarchists" and not "Marxists", he said the international pression of the international pression of the international pression.

chists' and not 'Marxists', he said the international press should note that the JVP had attacked the offices of the socialist LSSP party and the Communist Party, had burnt vans transporting the newspapers of the state-owned Lake House, killed 37 active supporters of the ruling UNP, and threatened to kill MPs unless they promised to vote against the accord.

Mr. Isroewardene confirmed

Mr Jayewardene confirmed that each UNP MP was being protected by groups of armed party activists trained by the security services. "We must exterminate this menace," he said.

At Kathmandu, Mr Jayawar-dene plans to discuss with Mr Rajiv Gandhi, the Indian prime minister, a draft treaty incorpo-rating the basic ideas contained rating the basic ideas contained in the letters of exchange which followed the July 29 signing of the Indo-Sri Lankan accord. The treaty covers sensitive matters like the use of Trincomalee by foreign navies and the presence of foreign military and intelligence in Sri Lanka (Pakis. tan and Israeli mainly).

ø

# Robert Thomson, in Peking, asesses the Chinese Communist Party's gathering

# Deng edges away from top echelon of power

THE NAME of Deng Xiaoping with him when he goes, clearing was absent from ballot papers the way for the next generation given to Chinese Communist. Party delegates selecting a new yang, the Prime Minister and central committee, during the acting party chief current party congress. This suggests that the paramount Chinese leader has retired from gress, which began last Sunday, explained yesterday that they conference in 1965, but several the highest level in the party. the highest level in the party.

Deng's apparent departure should mark the end of era in Chinese politics, but he is likely to keep one other senior post that would give him some weighty influence.

It is clear that he wants a low-er profile and has insisted that other elderly officials, some of whom have opposed parts of the ambitious reform programme, ladopt the same.

The party is due to release a

Delegates to the 13th congress, which began last Sunday, explained yesterday that they were given ballots with the names of 182 candidates for the Central Committee, and were asked to delete 10 names. This would make a new committee of 172 – down from the 210 appointed at the last congress in 1992.

The delegates said the ballot papers also had several blank spaces, and it was unclear whether additions could be made later to the committee.

Chinese officials had suggested that a slimmer committee would be able to meet more often than annually, as at pres-

passing of the old guard at a conference in 1965, but several veterans of the Long March have consistently refused to re-liquish their hold on power, fearing that the country would be led away from their communist principles.
A few remaining senior lead-

ers are likely to be housed in the Central Advisory Commission, which is supposed to offer advice on party conduct and policy but is far enough from the main levers of power to give more control to younger offi-cials.

Deng is expected to remain chairman of the Central Military Commission, as army officers have demanded that he



Deng Xiaoping: Army wants him to stay

# is addiscovered kafting (openness) at its 13th congress this week, with nationally televised news conferences making and the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is part of a result in the saturation coverage of the congress is the congress of support for popular response have been published daily, including one, reliased yesterday, of passenging the setting of the selection of the saturation coverage of the congress is part of a result of the saturation coverage of the congress is the congress of support for the party has lost the congress on a result of the congress on sunday, was in part a self-criticism. It comes a confident and have considered to the congress on sunday, was in part a self-criticism. It comes a confident and have congressed that the party has lost the congress on sunday, was in part a self-criticism. It comes a confident and have congressed the congress on sunday, was in part a self-criticism. It comes a confident and have congressed the congress on sunday, was in part a self-criticism. It comes a confident and have congressed the congress on sunday, was in part a self-criticism. It comes a constant of the congress on sunday, was in a dream? No it wasn't work is the congress on sunday, was in a constant of the congress on sunday, was in a constant of the congress on sunday, was in a con Congress reaches the masses through ex-small potato

masses, who are accustomed to closed-door congresses and in-comprehensible party docu-ments, but who have suddenly found themselves on the politi-Smiling Nakasone says sayonara in style

congress and the party work re-port was fashioned by a few el-derly leaders, who have far more power than the 1,236 dele-

spective responses.

Most remarkable has been the Shanghai's mayor, Jiang Zem-prominence given to Guan in, admitted that the city's peogram, who was at the centre of concern but not enough wis-

dom', while a film star. Zhang Ruifang, demanded that legisla-tion be introduced to protect artists and the arts. Chen Tiedi, the city's finance bureau chief, compared public money to a cake: 'It is small and everybody wants a bigger share. The way out is to have a bigger cake and that can be possible

when the economy is revitalised through structural reform."
Ordinary chinese, pleased as they are to have a a more open government, if only for a week, realise that it is the party's way to legich grand compaigns in to launch grand campaigns in the hope of small gains. Open-ness is the reformist theme of the moment but, if economic re-form falters and conservatives

reassert their suthority, the people are likely to be struck off the political agenda.



# Iran hits Baghdad in retaliation for Iraqi air raids

launched another long-range all originally made by Iran to Mr rocket early yesterday at Bagh- Javier Peres de Cuellar, UN

the Soviet First Deputy Foreign Minister, who had held talks with President Saddam Hussein Minister, who had held talks
with President Saddam Hussein
of Iraq on the chances of implementing the UN Security Council resolution 598 which calls
call reso

The missile was almost cer-tainly a Skud B of Soviet design or manufacture. The strack was directed at the building housing the Iraqi Air Force command centre, which is in the centre of Baghdad, according to an Iranian communique broadcast by Tehran Radio.

TENSION continued to rise Russein, in his talks with Mr again in the Gulf as Iran Vorontsov, rejected the proposdad in retaliation for Iraqi air raids on Wednesday.

The projectile hit the Iraqi an informal ceasefire should be capital only hours before the departure of Mr Yuli Vorontsov, national inquiry into responsities who had hald talks.

for a ceasefire in the seven-year ans originally suggested as an conflict. The missile was almost cermeans of breaking the dead-

lock
lock
David Buchan writes: Iran's
land-based Silkworm missiles
are a threat to Gulf shipping but
a difficult target for retaliation
because of the mobility of the
missile launcher, according to
the top comping US military offi-

Tehran Radio.

Iraq said that the missile killed a number of civilians after hitting a residential area.

Iran has been supplied with Skud B missiles by Syria and Libya Iran claims, however, to be able to make the weapon itself and featured it in a recent display of domestically manufactured weapons.

It is believed that President in the top serving US military officer.

Admiral William Crowe, chairman of the US Joint Chiefs of Staff, said that he was concerned about the weapons, one damaged an off-shore Kuwaiti oll terminal. But he noted that play of the US Navy task force had so far inhibited by direct Silkworm attacks on it.

## Israeli agents lied in trials of Palestinians

gators had falsified testimony used against him in court.

The 88-page report said: "This evil has to be uprooted." But it stopped significantly short of recommending the prosecution of individual operatives because this could open the way to a spate of legal suits brought by former and present prisoners.

A majority of the 4,000 Palestinian "security prisoners" being

FOR THE past 16 years, officials of the Shin Bet, Israel's internal security service, have routinely lied during the trials of Palestinian suspects, a government appointed commission of inquiry has found.

The commission, headed by Mr Moshe Landau, a Supreme Court judge, was appointed in May after an army lieutenant had his conviction on treason charges overturned on the grounds that Shin Bet interrogators had falsified testimony used against him in court.

Mr Yossi Sarid, a prominent civil rights activist and Member of Parliament, commented that where doubts over verdicts existed, because of perjury, the Israeli legal system ought to permit retrials. But this view is unlikely to find widespread endorsement, either within the Government or among the Israeli public at large. li public at large.

a spate of legal suits brought by former and present prisoners.

A majority of the 4,000 Palestinian "security prisoners' being held in Israeli jails are believed to have been found guilty purely on the basis of contestions said by the Shin Bet to have been extracted during interrogation.

A moderate use of physical force was permissible during interrogation, the Landau report said, if other psychological interrogation, the Landau re-public scandals over its meth-port said, if other psychological ods.

Robert Gourlay examines sensitivity in the Philippines to US interference in its affairs

'I'm going to be around, pick- of the highest international pro- process must be attacked.

# Tinkering with a special relationship

of Mr Raul Manglapus, the new phael should be sent home. He Philippine Foreign Secretary, is godfather to the son of Col was to demand the removal of a Gregorio Honasan, the rebel leader, a position which became untenable after Honasan's involvement in the coup. Avoiding any admission of guilt, the use mbassador said, or whether he was trying to prevent pro-government forces from attacking the rebels in order to aid the coup leaders as a Philippine colouel implied in testimony.

Manglapus, the new phael should be sent home. He phael should be sent home. He came untenable after Honasan's involvement in the coup. Avoiding any admission of guilt, the US embassy denied his departure was any reflection on his actions in the Philippines. US-Philippine relations will survive this flurry of diplomatic pique - Mr Manglapus already said the incident is "probably" a storm in a tea cup. But it will join the list of incidents in which many Filipinos invari-

has witnessed the kind of sensi-tivity about US interference in domestic politics that will dom-inste his term in the top foreign policy slot. It will also form the backdrop to negotiations that will start next year for a new links and known for his counttreaty covering two crucial enline and in Nicaragua, where he on Wednesday, the two gov-

which many Filipinos invaritestimony. which many Fulpinos invari-Nevertheless. Mr Manglapus ably see American hands tinkering overtly or covertly in Philipplne affairs. The list is



WITH AN undiagnised twinkle ing up balls as a member of the in his eye, Prime Minister Yasu-team," he said of his future. Ster in Japan and one of the "You know you find ball boys at his public yesterday and hand-wimbledon. I'm going to be an ed on the baton of leadership to his hand-picked successor, Noburn Takeshita.

It was a sayonara with style. Savouring his position right savouring his position right congratulations long into the ing from politics. Mr Takeshita, night, At a lavish reception at his official residence in Tokyo, he could barely tear himself sway from the attention of the world's press.

BY CARLA RAPOPORT IN TOKYO

WITH AN undiagnised twinkle ing up balls as a member of the files of any post-war prime minister in Japan and one of the premiership, he said, was last premiership.

As a result, he is not expected to increase his indulgence in painting, poetry, zen meditation of the is recent rehote of a successor. Did he ever really consider senting premiership, he said, was last premiership.

The greatest moment of the pre

Sirjan Rug Fine Sarouk Rug

Part Silk Tabriz

Keshan Carpet

7'×4'6 £275

88×5 £975

Then there is retired Gen Robert Stilwell, who has links with the rightwing Heritage Foundation, and who, after a visit in August, announced he was raising \$5m from private sources to provide mess kits for soldiers. He is also planning to supply health services, skills training and wells to villages through rightwing Filipino or-

ganisations.

These are examples of groups
often rightwing foundations in
Washington - which shrill editiorials in Manila frequently.
claim are fronts for covert
operations against the country's
18-year communist-led insur-

to US attache
suspected of backing private
rightwing vigilante groups. Gen
Singlaub claims his sevenmonth stay until November last
Armacost this week, during

56×36 £295

8×5 £580

6'8×4'6 £900

9'6x6'6 £3800

9x12 £3400

hidden treasure of Gen Yamashita, the second world war

Japanese leader.

Then there is retired Gen
Robert Stilwell, who has links with Mrs Aquino and Mr MangFoundation, and who, after a

For many Filipinos, and not just those on the political left, the much touted "special relationship" between the former coloniser and its now poor colony is lopsided. Moreover, it is a relationship that shows no sign of becoming any less skewed, unlike, for example, in South Korea, where runaway economic growth is rapidly reducing the need for a large US military

The special relationship is palpably unbalanced. The US remains by far the most important trade partner, the largest aid donor, the provider of 43,000 jobs at the bases and spending related to the bases equal to about 8 per cent of the national budget.

Few sober Filipinos delude themselves that central to the special relationship are Ameri-can strategic interests, an inte-gral part of which military ana-lysts still believe are Clark Air Base and Subic Naval Base in the Philippines. Though the US says that Filipino and American interests coincide on this is-sue, Filipinos frequently sus-pect that Washington's interest in helping the Philippines and helping defeat the insurgency is primarily fuelled by a desire to protect their interests.

The opposition of surprisingly many Filipinos to what the in-surgents are doing to their country is dampened by their nationalist desire for self-determination and suspicion of

The bases even becom pawns in the power play acted out during the August coup. Washington threatened to cut all aid if Mrs Aquino was toppled in a coup. This would have included compensation for the bases running to about \$180m a year, which the US refers to as aid.

Many people think Washing-ton is simply bluffing - after all they say, the US supported President Marcos long after it was clear he was fleecing his country. Others did not know what to think. It was interven-tion on the grandest scale but

# Reagan's second hopeful

PRESIDENT Ronald Reagan faces another braising battle with the Senate over his latest nominee to the Supreme Court, Judge Douglas Ginsburg, a 41-year-old conservative with less than 12 months experience on the hearth.

the bench.

The judge's views are little known - he has written fewer than 20 opinions as an appeal court judge in Washington DC - his candidacy was pushed hard by conservatives in the Reagan administration led by Mr Ed. administration, led by Mr Ed-win Meese, the Attorney-Gener-al, over the reservations of Mr Howard Baker, the White House

chief of staff.
The pivotal role of Mr Meese,
one of the few conservative purists left in the Cabinet, has set Democrats on their guard. Sen-ator Edward Kennedy of Massaator Edward Kennedy of Massamendation of "quainfed", the
tried to buildoze two conservative Supreme Court nominees
through the Supreme Court nominees
through the Supreme Court nominees
through the Supreme Court
through the

Address.

**Lionel Barber** weighs the nomination of Douglas Ginsburg to the Supreme Court

health grounds, was widely seen as a swing vote among a full complement of nine judges finely balanced between liber-als and conservatives. Despite his impressive curriculum vitae – law review editor, Supreme Court clerk, Harvard Law School professor and senior Justice Department official

nior Justice Department official in charge of anti-trust policy — Judge Ginsburg falls far short of Judge Bork's intellectual capac-ity. He received only a recom-mendation of "qualified", the lowest of three acceptable rat-

hands-off approach. In an interview with the Washington Post, he said anti-trust law had been "perverted" to prevent mergers that could have increased competition and strengthened the

economy.

Mr Reagan, who was furious at the liberal campaign against Judge Bork, appears to have fulfilled his pledge to find a nominee "they'll object to as much as this one."

While conservatives were

While conservatives were praising the nomination of Judge Ginsburg yesterday, some Republicans were wondering why the president had chosen to lead another crusade when he is plagued with so many other difficulties. Others recalled that another Republican president, Mr Richard Nixon, had tried to buildoze two conservatried to bulldoze two conserva-

### BARTER CONCESSIONARIES LIMITED

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be sued

# Copyright bill is aimed at Insolvency encouraging innovation

A COMPREHENSIVE copyright bill designed to encourage innovation and the exploitation of innovation was published yesterday by the Government.

Provisions, which will create a framework of intellectual property law lasting well into the next century, include:

Mr Kenneth Clarke, Trade and Industry Minister, said the sible and relevant to the needs of Prandulent copying of trade.

• Fraudulent copying of trade-marks to become a criminal of-

ng or distributing copies of copyright material. Occupates of toyears.
Computer software to be given the full protection of the law with provision for ascribing authorship of "computer-generated work"

Anthors and film directors to have rights allowing them to ob-ject to unjustifiable changes to their work.

However, the Copyright, Designs and Patents Bill, which has 297 clauses and has been more than a decade in the mak-

AN ASSURANCE that the Government wishes to return to full jury trials in Northern Ireland

jury trials in Northern Irelandas soon as possible was given yesterday by Mr Tom King, Nothern Ireland Secretary. In a speech in Oxford, Mr King was trying to persuade the Irish Government that it should pass the Extradition Bill which comes up before the Dail in December. This would enable suspected terrorists in the repub-

pected terrorists in the repub-lic to be returned to Northern

Ireland for trial.

However, politicians in the south have been saying passage of the bill is unlikely unless

or the bill is unlikely unless Britain agrees to change the Di-plock court system in Ulster un-der which one judge sits in ter-rorist cause

Mr King's words were intended to show that Britain had al-ready carried out wide reforms in the north and that this was

Return of full jury trials

to Ulster is King's aim

marks to become a criminal offence with a penalty of up to 10
years in prison.

Unlimited fines and up to
two years' imprisonment for
making or distributing conies of adverse effects on consumers, especially the visually handi-

> the Government in the collec-tion of a new tax and the creation of a bureaucracy to distribute the proceeds.
> The cost of administration of the scheme would have been disproportionate to the amount of money concerned," Mr Clarke

The Government dropped plans to hive off the Patent Office because more and more of its business is being carried out by the European Patent Office. A review concluded that the Patent Office would no longer be tent Office would no longer be

to protect creditors and share-holders from sharp practice, Mr Francis Mande, Corperate and Consumer Affairs Minis-ter, said yesterday.

The Government has changed its views on original designs and what kind of spare parts can be copied without infringing copyright protection. When the design of a part, such as a gasket or car body panel, is completely determined by the need to fit or match, competitors will be free to copy the part in its entirety.

tackle - have yet to be brought to book.

The determined regue moves too quickly, said the head of one large insolvency firm. The law has not been in place long enough to catch up with them yet. The transgressers so far are mainly those who have made a mistake or did not knew what they should be doing.

Insolvency specialists ex-

be doing."
Insolvency specialists expect disqualifications to rise sharply, gives the number of complaints they have filed. In January, the first menth of the law, the Trade and Industry Department reported that it had received complaints about \$24 directors in \$11 companies.

paper says the fight to save the publication ended on Wednesday when the NEC voted by 20 votes to seven to close it.

"This is a sad day for the staff of Labour Weekly but it is a sadder day for the Labour Party," it Plessey to lose deputy

It recalls that the paper often spoke with an independent voice on policy matters.

The party needs such a voice more than ever as it embarks on a wide-ranging review of its policies, its organisation, its campaigning role and its presentation, it states.



A BILL to reform licensing laws in England and Wales was published yesterday by the Government heavily on experience in Scotland, where flexible licensing hours have been permitted for hours have been permitted for hours have been permitted for hours a day except Sunday but permit no changes in Sunday hours. Rrewers, tourist organisations and consumer groups have lobbled for some years for the sunday hours.

The Government has drawn been of which include church and family groups concerned with sicohol abuse, said yester-day for the sunday hours in England and Wales.

The Government has drawn been of which include church and family groups concerned with sicohol abuse, said yester-day for the sunday hours in England and Wales.

Mr King said Britain had al-

hours.

The Brewers Society yesterday described the bill as the
"most important reform of licensing hours for over 60 years.
It means the public will now get better and expanded services in pubs."

It should strengthen laws on drinking and driving, keep alcoholt in temperature in line with rising incomes, boost funding for alcoholter and expanded services in pubs.

A new organisation called Keep Alcohol Safeguards, mem-

# Positive planning view urged by Ridley

Environment Secretary,

Mr Ridley, who was prevented by fog from delivering his speech to the National Housing and Town Planning Conference in Harrogate, said the assump-tion had grown up among the public that planning was a mechanism by which change can be resisted and established in Harrogate, said the assumption had grown up among the public that planning was a mechanism "by which change can be resisted and established interests protected - the view from my window, the fields down the road, the value of my property."

The developer was cast in the the south-east, than interest we decisions have been taken people can have some confidence that they will be made to stick. The proposals in the green and a desire generally for more paper published last year would give greater certainty, not less, and would aim to ensure effective strategic policies at the county level.

THE PLANNING mechanism receded to be seen as a positive means of promoting necessary developments, Mr Nicholas Rid-needed to be seen positively. In He added that a lot could be needed to be seen positively. In relation to housing, for instance, new household projections to be published early next year, were expected to confirm that more land for housing would be needed over the next 10 to 15 years, particularly in the south-east, than forecast before.

He added that a lot could be done to reduce opposition to new development through the development planning system. Mr Ridley said-There are two key requirements. The first is that you explain and consult, that you explain and consult that you explain and consult that when decisions have been taken people as chance to comment, before decisions are taken. The second is that when decisions have been taken people can have some confidence.

## **Information technology** disappoints institutions

MANY FINANCIAL institutions believe that new information

believe that new information technology systems are not living up to expectations, according to a survey.

The survey, carried out by the MORI polling organisation for Electronic Data Systems, the computer services subsidiary of General Motors of the US and the Economist margine, also The Economist magazine, also and a lack of management controls among many financial in-

### Fully 89 per cent thought new technology would have a great-er impact on profits in future,

er impact on profits in future, but a third were not planning to increase their investment in technology.

Four-fifths were not completely satisfied that their investment in information technology had lived up to their expectations, although about a half were fairly satisfied.

Most (81 per cent) planned no longer than three years ahead when introducing new technolo-The survey, carried out be-fore the stock market crash, was of 46 board members of banks, building societies and insur-ad hoc basis when requirments

### Boyson becomes director of Blacks Leisure

BLACKS LEISURE, the camping and leisurewear group saved from receivership by a saved from receiversing by a film' consortium package last October, is strengthening its boardroom with the appointment of five directors.

Sir Rhodes Boyson, Conservative MP for Brent North and a former minister, becomes a ponegretive directors.

# law bars 50 directors from office

have been disqualified from running businesses under a law introduced last December

and Consider Americans, and Consider Americans.

The directors, mainly from small companies, had been banned for an average of five years, he said at the annual dinner of the Insolvency Practitioners' Association in London

Inselvency practitioners claim, however, that the real 'rogue' directors - those the Company Directors Disqualification Act was designed to tackle - have yet to be brought to heat.

companies, whether or not there are grounds for concern.

"We are determined to put paid to the kind of behaviour where someone who is clearly mafit to be a company director causes misery and hardship to smaller companies by deliberately setting out to avoid debts," said Mr Mande.

He also revealed that 25 companies had appointed administrators so far this year. Administrators so far this year. Administrators so far this year. Administrators in a procedure which was also introduced in late 1986, is intended to help companies that would otherwise go into liquidation or receivership by allowing them to appoint an outsider to run their affairs. ecutive communes and research close it.

It is being exercise at the party's headquarters in Walworth Road, south London. The paper has eight journalists and office staff but negotiations are continuing about possible rede-

in its entirety.

Mr John Butcher, junior Trade and Industry Minister, said the bill, would greatly strengthen the UK's hands in

negotiations with the European Community on harmonisation of intellectual property law. Copyright, Designs and Patents Bill. HMSO. £10.40.

paper angry

LABOUR WEEKLY, the party's newspaper founded 16 years ago, published its last issue yeaterday with a lead story strongly attacking Labour's National Executive Committee for voting to alose it.

Labour's

at closure

chairman

MR MICHAEL CLARK, density chairman of Plessey since 1976, is retiring. His departure, leaves a further gap at the top, of the company, following Sir James Blyth's resignation as managing director at the start of the month.

However, the company be-lieves it has a strong team around Sir John Clark, execu-tive chairman, and does not ap-pear to be planning to add se-nior positions to the beard in the near fature.

the near future.

Mr Clark, 60, brother of Sir
John and son of Plessay's previous chairman, joined Plessay
in 1950 and was appointed to
the board in 1953.

He played a leading role in
building up Plessay's defence
electronics business but has
been less active in day-to-day
business in recent years.

He intends to spend his retirement developing his extensive estate in Easex.

# ITV companies agree to curb Big Five's network dominance

companies have reached agree-ing the 10 regional companies.

ment on a radical reform of the More fundamentally there ment on a radical reform of the More fundamentally there commercial system which is de-will be a cut in the guaranteed signed to give smaller regional network programme hours of companies more access for the Big Five - Thames, London

gional companies such as Scot-tish Television. The Govern-

The managing directors and hours available.

defend itself vigorously against a lawsuit being brought by American Airlines for alleged abuse of its position in the UK market for computerised reservations systems.

that BA's actions are unlawful and prohibited by Article 86 of the Treaty of Rome, which outlaws anti-competitive behaviour. It is also seeking compensation and has filed a formal complaint with the EC Commission.

American Airlines alleges in a High Court action which also names Travel Automation Services (Travicom), a British Airways' subsidiary, that BA, in order to promote Travicom, has been seeking to exclude Americals Seking to exclude Americans and the LIE.

der to promote Travicom, has been seeking to exclude American's Sabre system from the UK market.

It is is seeking declarations the instantian to their own systems many big airlines are market.

It is is seeking declarations

companies more access for the Big Five - Thames, London their programmes to the national network.

For more than 30 years a small group of network companies have decided what ITV programmes are shown nationally and made most of those programmes themselves.

The Big Five - Thames, London Weekend, Granada, Central and Yorkshire - from 42 hours to 35 hours a week in the first year of the new system.

Further reductions would be made in the light of the needs of the schedule and the financial strength of the system.

The system has come under
The hours taken from the Big
increasing criticism from reFive will be added to the hours
glonal companies such as Scotat present available to regional tish Television. The Governcompanies to form a pool for
ment has also been making it
which all the companies will be
clear it regards the network sysable to compete. The pool will
tem as a cartel in need of retotal national broadcasting

BA to defend suit by US airline

BRITISH AIBWAYS intends to defend itself "vigorously" grounds for the action being Airlines System, Finnair and against a lawsuit being brought taken by American Airlines. Linjeflyg of Sweden. by American Airlines for al-

grounds for the action being taken by American Airlines.

Computerised reservations systems are rapidly becoming important marketing tools with blg airlines on both sides of the Atlantic. They display details of flights, fares, hotels and other travel facilities on agents' screens, in an effort to win blg-ser shares of the market.

Arithes system, Frimair and Linjeflyg of Sweden.

Mr Michael Buchman, bresident of the world's largest, says his airline first tried to establish a UK presence for Sabre in late travel facilities on agents' Since then, BA, directly and through Travicom, the travel

television ed by two controllers representached agreeing the 10 regional companies.

Two working parties have been set up to work out the delier regional network programme hours of access for the Big Five - Thames, London to the nationweekend, Granada, Central and likely to be in place before next

Mr David Reay, chairman of the regional companies and managing director of Tyne Tees Television, said yesterday: "This agreement is a major step forward for ITV and recognises the enormous potential of the regional companies to contribute to the strength of the network programme schedule." work programme schedule."

Mr Brian Tesler, chairman of the Network Programme Committee and chairman of LWT, also welcomed the progress that had been made.

had been made.

However, there is now a fear
that jobs could be lost in the
five network companies. They
face the loss of guaranteed programme hours at the same time
as independent producers, with
the support of the Government,
will be consider greater access to The managing directors and programme controllers of the 16 commercial television companies, meeting in Jersey yesterday, agreed the broad principles for a loosening of the network system.

The plan is that in future the prices for each category of programme would be common to all. In the past companies such as Scottish have complained as independent producers, with the support of the Government, will be gaining greater access to all four national channels.

by Sunday Sport chief MR DAVID SULLIVAN, chairman of Apollo which publishes Sunday Sport, said yesterday he might sue United Newspapers over the sudden termination of the brief and controversial rela-

the brief and controversial rela-tionship between Sunday Sport and The Star.

Speaking in Washington DC, Mr Sullivan said the severance had been decided entirely by United and he had been told of it only on Thursday morning during a telephone call to

I heathrow.

I hope we can solve things without litigation but I think litigation has got to be a possibility," Mr Sullivan said.

I feel very badly let down. This is not the action of gentle-This is not the action of gente-men or the action of people run-ning a public company."

United Newspapers, which owns The Star, announced on Thursday that it was severing the relationship with Apollo "by

Mr Sullivan said he had been presented with a fait accompliand emphasised that legally binding deals had been made. On September 3, it was announced that United was taking a 24.8 per cent stake in Apollo for about £2m and that Apollo for about 12m and that Apolo would get 12p for every copy of 17he Star sold in excess of the 13nuary-June 1987 average circulation of 1,288,583.

We have a five-year contract and there are no break clauses," Mr Sullivan said yesterday. In spite of the end of the rela-tionship with The Star, Mr Sulli-van said he had no immediate plans to turn Sunday Sport into

Mr Andrew Cameron, manag-ing director of Express Newspa-pers, the United subsidiary which includes The Star, con-firmed yesterday that he had called Mr Sullivan and told him "it was time for a parting of the

severance agreement accept able to both sides.

# Nuclear power output falls by 22.3%

Portugal.
said it had not The other is called Amadeus, ents in the case and includes Air France, Luf-

Two such groups are being formed in Europe. One, called Galileo, includes BA, Swissair, KLM of Holland, Covia (United Air Lines of the US), British Caledonian, Austrian Airlines, Alitalia, Aer Lingus and TAP of Bortness.

The Energy Department's monthly statistical bulletin showed a 22.3 per cent fall in output from nuclear power stations between June and August.

The Central Electricity Generating Board confirmed last night that its four AGRs generated no power for 35 days during the summer and that difficulties continued.

The difficulties with the AGRs have been a key element to August, 5.7 per cent more electricity was used than in the corresponding periods and the corresponding periods and the corresponding periods are the corresponding periods and the corresponding periods are the corresponding periods are

Its need for extra capacity, whether coal-fired or nuclear, is also underlined by yester-day's measurement of the rate continues to grow.

# Onshore oil search round | Unity Trust to attracts 79 applications

THE OUTPUT of nuclear power in the board's long-running vate industrial generators or stations dropped by nearly a campaign to use pressurised from France.

The poor performance of advanced gas-cooled reactors.

Its need for extra capacity, the corresponding period last.

"Since then, BA, directly and through Travicom, the travel agency automation system it controls, has engaged in a variety of practices intended to preserve the near 100 per cent monopoly held by Travicom in the UK," he alleges.

"Most notably, BA has refused to grant American Airlines permission to allow Sabre users to issue tickets on British Airways in the UK. By this refusal, BA, which allows Sabre to Issue its tickets in the US and Canada, substantially reduces the usefulness of Sabre to a UK travel agent."

on: of The Government is to publish discussion paper for MPs on sirategy on renewable ener-y sources, Mr Michael Spicer, gy sources, ar minister, told the Commons yesterday. He is ex-pected to say more about the Government's thinking on wind

UNITY TRUST, set up three years ago, will be able formally to call itself the trade union bank by the end of the year.

### **Addison** restructures subsidiaries

ADDISON Consultancy, the publicly-quoted communications group, is reorganising its three financial subsidiaries in-

This follows the failure of a management buy out by direc-tors of one of the three subsid-iaries, Streets Financial Strate-gy, and its parent company. Nine directors from the public relations division, which has

The new organisation, Streets Communications, will combine gain bank status

By Hugo Disca

UNITY TRUST, set up three
years ago, will be able formally
to call itself the trade union

APPLICATIONS to explore for then in the first onshore licensoil and gas on the mainland in 1965-86 when 117
were received from 79 companies applied for 446
onshore licensing round on Thursday, the Energy Department said.

Companies applied for 11Companies applied for 12Companies applied for 13Companies applied for 13Companies applied for 14Companies applied for 14Co

David Churchill on pressure for legal changes to revive a one-time favourite pastime

# Bingo operators pin hopes on Maggie's Den

pastimes.
The industry's main target is a

change in the law to allow clubs to advertise their games, as well as the opportunity to increase the prize money on offer. Their case is based on the impact of newspaper bingo games in re-

Mr Barry Anderson, managing director of Meeca Leisure's bingo clubs operations and chair-man of the Bingo Association of Great Britain, says: "It is hardly Great Britain, says: "It is hardly fair that newspapers can freely advertise their bingo games and offer large cash prizes when the traditional clubs are strictly limited by law.

There is no question that newspaper bingo has hurt the industry. The cost of buying several newspapers a week to play the game has obviously hit into the disposable income of peo-

ment of five directors.

Sir Rhodes Boyson, Conservative MP for Brent North and a former minister, becomes a non-executive director.

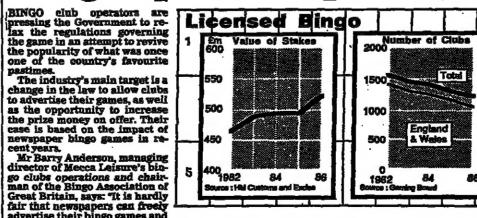
Mr Richard Wilkinson, who was previously managing director of Sears Financial Services, becomes finance director.

Mr Bernard Garbacz, who led the original consortium and was chairman and finance director, becomes chairman and chief arrecutive. Mr Stophen Morris, offering workins-class house-

building societies and insurance companies.

Almost three-quarters (71 per
cent) said they were not fully
satisfied that they were matching their competitors in the effective use of information technology.

Ad hoc basis when requirments and finance director, game of the late 1950s and 1960s,
becomes chairman and finance director, game of the late 1950s and 1960s,
offering working-class housewives the opportunity to escape
the home once a week and enjoy
as social evening in a relaxed atbecomes chairman and finance director, game of the late 1950s and 1960s,
offering working-class housewives the opportunity to escape
the home once a week and enjoy
as social evening in a relaxed atduring the early summer but its
mosphere. While men went to
the pub or betting-shop, their
the pub or betting-shop, their



Now, however, the number of licensed clubs has fallen to 1,136 with 75 clubs holding li-

wives went out to play bingo
with their friends.
Cinemas, hit by the growth of
television, were converted at a
fast pace into bingo halls to
meet the surging popularity of
the game.
In its heyday in the early
1970s, there were more than
1,700 licensed clubs and more
than fixer regular players.

At the same time, bingo failed

At the same time, bingo failed Now, however, the number of licensed clubs has fallen to 1,136 with 75 clubs holding licences but not open for business and regular players are estimated at about 3.5m. Only about a third of licensed clubs are part of the larger chains.

The main chains are Rank Organisation with 91 clubs, Mecca

pointed out in a recent report.
"Compared with many other forms of gambling, bingo has fared particularly poorly since 1970."

In the most tooch.

cash prizes of up to £50,000.

The national game has not

have been without the national in the US where bingo is si-

976." ed. covered of In the mid-1980s, however, the Mr Graham Kerr, managing state laws.

bingo industry started to fight back. The large operators recognised the changes that were algame has steadied what was a downward trend in numbers of and started to upgrade facilities.

At the same time, the industry finally managed to get a private member's bill through Parliament in 1985 after a previous attempt had been killed off by the 1983 election to allow a national bingo game to be played.

Licensed bingo clubs are prevented by law from offering more than certain levels of cash prives - depending on the number of players.

Although many clubs had formed links with two or three others to play a form of linked game was banned until the law was changed. Under this national game, some 800 clubs are linked electronically to play for cash prives of up to 550,000.

The national game has not director of Granada's bingo operations, agrees: The national game has steadied what was a downward trend in numbers of people playing.

Bingo operators believe, moreover, that the real benefits of the national game are yet to be realised. Furthermore, it spears that the game is helping to draw into bingo younger women, on whom the future of the game in Britain depends.

The larger operators are wooing this younger market by placing more emphasis on the social element in clubs. They are modernising catering and dyinking facilities and providing clubs, too, the large operators believe.

Optimism in the industry remains high, especially since the

Optimism in the industry re-mains high, especially since the

The national game has not been the runaway success that many had hoped for in the industry although it does appear to have stemmed the alump in admissions.

Mr Angus Crichton-Miller, director of the Rank Organisation's leisure division, which operates the largest group of bingo clubs in the UK, says:

There is no doubt that the industry is better off than it would have been without the national

# Prison officers to vote on action over manning

THE PROSPECT of widespread disruption of Britain's jails be-retary, has written to the POA fore the end of the year loomed this weak stating the Govern-last night after leaders of the ment's intention to recruit 750 Prison Officers' Association announced they would ballot their promising to keep its position 24,000 members on industrial under review. Prison Officers' Association announced they would ballot their 24,000 members on industrial action in their dispute over

the crunch point" and that industrial action was necessary to draw public attention to over-crowding in prisons.

Some delegates at vester law's some delegates at vester law some la

"The Home Office is playing Russian roulette with future manpower and we are about to face the actual chamber in the be prepared to contemplate a

face the actual chamber in the barrel where the, bullet is located. We are now at the crunch point," Mr Bartell said.

The Home Office claimed last night that POA leaders were misrepresenting the Government's position, although it said ment's position, although it said of the ballot before deciding what steps to take.

be prepared to contemplate a repeat of last year's industrial action.

Mr Bartell, who earlier faced criticism from the conference diling of the dispute, was given a standing ovation when he apthat it would wait for the results of the ballot before deciding what steps to take.

### **NUPE** orders biggest survey of membership

THE BIGGEST membership survey of a trade union is being a med particularly at establishmes prepared by Mori, the opinion research group, for the National Union of Public Employees.

Nupe Is speading almost f30,000 on the exercise in one of the clearest signs yet that the unions are prepared to take positive action to broaden their appeal.

The survey is expected to involve more than 3,000 of Nupe's partitime women workers employed at relatively isolated naire will be followed by a review of communications, a more intensive sub-survey of shop stewards views and face-to-face discussion with members in focus groups."

The Survey Nupeted devices the case of the survey would be especially important in reflecting their views on the union and its services.

There is no definite the activists may be different from the message from the membership as a whole."

Many Nupe members were workplaces, and the survey would be especially important in reflecting their views on the union and its services.

There is no definition to being a simed particularly at establishing the attitudes of rank-and-file members.

"All voluntary organisations are activist movements - we depend on activists," he said. "But sometimes the message we get from the activists may be different from the message from the membership as a whole."

Many Nupe members were workplaces, and the survey would be especially important in reflecting their views on the union and its services.

"I have my own strong hunch that we are not getting to these-files."

"It is inherent in a change as radical as Fresh Start that a manning levels.

Mr John Bartell, POA chairman, told an emergency delegate conference yesterday that the prison dispute was now at the prison dispute that income levels.

At the centre of the dispute is the association's claim that the Home Office is intending to appoint only 750 extra officers instead of the 950 it pledged as part of its new pay and conditions package known as Fresh Start.

The Home Office is playing the dispute is Some delegates at yesterday's FOA conference, including those from Brixton Prison in south London, Leeds Prison and the service's training college at Wakefield, indicated that their branches were opposed to industrial action because Fresh Start was working well for them.

em groups."

Air Tom Sawyer, Nupe's deputy general secretary, said yes.

Air Sawyer said.

## Clyde yard strike over 345 job

losses

WORKERS AT the Scott Lith-gow shipyard, on the lower Clyde, held a one-day strike yesterday after Trafalgar House, which owns the yard, announced 345 redundancies. Trafalgar House said 324 hourly paid workers would have to go, together with 21 salaried staff. A further 200 employees werking for sub-contractors are also expected to leave the yard because of lack of work.

The walkout followed a

The walkout followed a stormy meeting of the existing workforce of 1,290. Local union efficials have agreed to use all possible means to keep the yard open, but there was no indication that further action would be taken.

Trafalgar House said the redundancies had been made involved by the failure of the yard to attract orders since the

evitable by the failure of the yard to attract orders since the completion of work on the container ship Atlantic Conveyor for Canard, a Trafalgar House subsidiary.

Scott Litthgew has only one order left on its books - a drilling rig for Britoil - which is expect to move into deep water shortly for final proparation.

Trafalgar House said: "The future is very bleak indeed, and it is no real consolution to us that there are many others in this situation in shipbuilding."

ing."

The yard is expected to go on to a care and maintenance basis if no exters are placed before the Britail rig is handed over. This could mean a further reduction in the workforce, to as few as 120 workers.

The latest redundancies follow a row between Scott Lithgow and Mr George Yeungew and Mr George Yeungew and the yard to "get its act together" after rejecting a £12.5m hid for a contract to build three small ships for the Royal Navy.

build three small ships for the Royal Navy.

The rejection of the bid, which had been reduced from about22m, was seen by local union leaders as condensing the yard to closure, even though Scott Lithgow was of-fored the chance to submit a revised tender.

Scott Lithgow retains the ca-pability to build conventional submarines, but has falled to win export orders for its Ober-on Mark 6 design. The yard has been told by the Defence Min-istry that it cannot be a lead yard for Royal Navy produc-

Philip Bassett in Miami looks at how American workers are cashing in on cheap credit

# Plastic union cards catch on in the US

NORVELL is an American worker living in Sioux City, Iowa. Aged 44, he has been driving a Greyhound bus for the last 16 years. He's a father of four and a long-standing member of the 14 1000 strong Amelicanated the 94,000-strong Amalgamated Transit Union. He's also the one-millionth US trade unionist to hold a union credit card. He sees no contradictions be-

tween being a member of his union, and the unions offering him credit facilities. 'Compared with other cards that I've held;' he says, 'the union card offers more advantages and fringe benefits. It's great.' Mr Norvell is reasonably

mr Norvell is reasonably well-paid, reasonably secure in his job - a member of the so-called 'new collar' class in America; and exactly the kind of employee that the TUC in Britain would like to reach with its notion of harnessing the collection protects.

its notion of harnessing the collective market power of 9.2m
trade union members.

Among the proposals for the
future of unions in the UK put
forward by Mr Norman Willis,
TUC general secretary, few
have been greeted with such
scepticism - derision in some
cases, from some TUC unions as his idea of a TUC credit card.
Not so in the US, from where

Mr Willis got the notion. There, Union Privilege Benefit Procasors (UPBP), a non-profit making arm of the AFL-CIO, the US ample' of a low-interest credit card: They negotiated a deal for an affinity group credit card at low interest, and they got the lamber of current affiliated membership. bership.

We've seen the criticisms why don't you spend more time worrying about workplace conditions and less time worrying about credit cards?'- says Mr Ray Denison, UPBP president. That is, if you develop this programme way are secrificing or using a minimum 25 develop or using a minimum 25 develop or using a minimum 25 develop the secrificing or using a minimum 25 develop or using a minimum 25 develop or using a minimum 25 develop or using a minimum 25 development. gramme you are sacrificing your traditional role, or aban-

doning your principles.

But I don't see a philosophical conflict: they're not exclusive. We're just extending trade unionism from the workplace to tinionism from the workplace to the marketplace.'
Since its launch in February last year, 65 unions have signed up and the union credit card has been a runaway success. The first mail shots 14 months ago produced the highest-ever

response rate for a newly-is-sued credit card in the US: 20 per cent, instead of the normal rate for the industry of 1.5 to 2 per cent. Mr Elgie Holstein, director of

deal for their members.'
The union MasterCard, linked or using a minimum 25-day grace payment period, with APR 7.25 per cent above prime, with fees related to money

spent.
The card also includes a skip payment option, which allows union holders to miss a pay-ment if they are on strike for more than 30 days: Among the advantages for the

union are increased membership identification: unions with more than 300,000 members have their cards personalised with the union's name and insignia. Union-member communication is enhanced by a facility in the scheme for the union to include inserted messages

Crucially, it allows the unions to provide members with a service they find attractive. An AFL-CIO report on the card scheme says: It was not the intent of the unions to enter the credit card business, but in as much as most Americans use credit cards, union members should have the opportunity to obtain the best possible card at the lowest possible rate and en-

For union members, the principal advantage of the union card is its interest rate. At 13 per cent, it is well below the market rates of 18 to 21 per cent. The AFI-CIO estimates that savings to members from lower interest rates are running at \$30m (£18.75m) so far this year. Mr Denison says: What is the point for a union of helping

joy the greatest potential for

someone get a wage increase, and then they go outside and get skimmed? If the union can save shimmetr'ir the union can save them a percentage in the marketplace, then you're effec-tively securing for them that ex-tra percentage as a further in-

According to UPBP figures, the largest single use by union members so far of the card has been specifically to take advan-

on other cards they hold to the union card, capitalising on the fact that if they transfer a debt from a card with an interest rate of 19 per cent to one of 13 per cent they are making a 30 per cent reduction in their loan

UPBP says that test-market research suggests that on spending the card is used main-ly by union members for unusual or emergency payments, such as a burst car tyre, or for funding large-scale purchases, such as airline fares. The average outstanding balance on the union card is about \$800 (£500). The AFL-CIO is now dealing

The AFL-CIU is now dealing with inquiries about its card scheme from union organisations outside the US, including some discreet feelers from some large TUC unions in the UK, and from commercial bodies interested in seizing the chance of servicing the union market in Britain. This is a historic new dimension to the American labor

movement, says Mr Denison.

The been very successful - and unions in other countries like the UK will develop programmes on similar lines.

### BT staff urged to accept deal to speed inquiries

BY CHARLES LEADSEATER, LABOUR STAFF

CLERICAL WORKERS at British Telecom are being recommended to accept an agreement
which would allow the company
which would allow the company

ustomer service system.
The workers, members of the lational Communications Union are being consulted on a possible agreement which would pave the way for co-oper-ation with the introduction of the system. The outline agree-ment covers job security guar-antees, and a commitment to consult with the union on workers' involvement in job design and work organisation.

The proposed agreement has been fully endorsed by the NCU

mended to accept an agreement which would allow the company to improve its service by introducing a streamlined procedure for dealing with inquiries backed by a a national computerised customer service system.

The company estimated possible job losses at about 4 per cent, or 900, clerical jobs as a result of through computerisation. However the implementation of the so-called Front Office initiatize to streamline the fice initiative to streamline the handling of customer inquiries would create about 1,200 jobs, the NCU said.
Pilot trials of the computer

Pilot trials of the computer service system had indicated job losses would probably be below the company's estimates, the union said. The Co-operation in Change Agreement has also been extended for a further two years to cover the implementation of the CSS.

Taken together the agreements would guarantee redeployment, training and retraining as well as guaranteed protection of earnings, Mr.

clerical group executive, according to the union's journal published yesterday.

Mr Billy McClory, the NCU protection of earnings, Mr clerical group secretary, said BT had cleared up union concerns over the potential job losses arising from the system's introduction and the future of

### Glass workers strike over 5.4% pay offer

By Jimmy Burns, Labour Staff WORKERS AT at a floatglass

plant in St Helens, Merseyside, owned by Pilkington Brothers, the world's largest manufactur-er of glass, staged a 24-hour strike yesterday in protest at a 5.4 per cent pay offer.

However the action by a quarter of the 900-strong workforce appears to have had only a limited effect because of the decision of the GMB general union, the majority union at the plant, not to support the strike.

not to support the strike.

No glass products left the factory yesterday as it was picketed by members of the AEU engineering union, the building union Ucatt, and the white-col-

INT ASTMS. However, claimed customers had re-ceived their normal supplies a day early, and production had not been disrupted.

Nevertheless the company agreed to resume talks yesterday in an attempt to stop action from spreading to its other floatglass plant at Greengate,

### Scargill attacks South Wales NUM leadership

Union of Mineworkers blew into the open last night when Mr Arthur Scargill, NUM presi-dent, delivered a strong attack on the leadership of the union's South Wales area.

Speaking in South Wales, he said, it was deeply disturbing to see the destructive and degenerate defeatism implicit in new realism operating in certain sections of my own union and to see it even in journals, when the South Wales Wines. such as the South Wales Miner."

This journal, the official pub-This journal, the oricial publication of the South Wales NUM, has been reflecting the growing friction between the area and Mr Scargill and his supporters over such issues as the extent of the NUM's present national experience has published. tional overtime ban and British Coal's demand for agreement to six-day working at the planned

South Wales is against step-ping up the overtime ban, over British Coal's disciplinary code, and has led a so-far successful alliance of NUM areas opposed

RIFTS WITHIN the National to Mr Scargill's call for tougher The latest issue of South Wales Miner says pointedly that "a position similar to the 1984 strike...is not what our members

voted for " It also carries an article by Mr Kim Howells, the NUM area's research officer, proposing that the NUM return to the mainstream of the labour and trade union movement and warning

"We will continue to achieve nothing in isolation." Mr Scargill, speaking last night in Merthyr Tydfil, likened this article to the arguments of union leaders who opposed so-cialist principles, accepted flexible working and supported single-union, no-strike deals. He said: 'If that is the kind of mainstream to which South Wales Miner refers, then God

help us."
Mr Seargili also argued that
the NUM and the labour movement faced a clear choice of submission to "the ravages of

### A FINANCIAL TIMES CONFERENCE in association with

### Hotel Inter.Continental, London 11 & 12 November, 1987

The FT Conference Organisation and the National Association of Securities Dealers (NASD) are joining forces to hold a major European-American Forum on the ADR business in November. The subjects for discussion will include access to US capital markets, ADRs as a vehicle, regulation of the ADR business, European company experience, the approach through NASDAQ and the role of the Stock Exchange in London. Speakers taking part include:

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Securities Dealers Inc Mr Graham W Whitehead President

Jaguar Cars Inc Mr James M Davin Managing Director The First Boston Corporation

Mr Charles H Symington Managing Director SG Warburg & Co Inc

Mr Robert E Murray Vice President -Morgan Guaranty Trust Company of New York

Mr Joseph M Velli Vice President, ADR Department The Bank of New York

Mr John J Huber Partner, Latham & Watkins Former Director Division of Corporation Finance Securities and Exchange Commission

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Mr Bryan Gould MP Shadow Secretary of State for Trade and Industry

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Saturday October 31 1987

# A floor under the market

change in governmental atti-tudes to markets than the short history of the British Petroleum share offer. At the outset it was seen as the Thatcher Administration's most determined effort yet to sell the merits of market capitalism to the British peo-ple. Yet within the space of a mere two weeks this £7.2bn is-sue has become the subject of a highly unusual exercise in gov-ernment intervention in the

At the behest of Mr Nigel Lawson, the Chancellor, the Bank of England's role as lend-er of last resort to the banking system has been extended not ly to British but to international investment institutions and securities firms. After the wild gyrations on the world's who gyradons on the world's bourses over the past fortnight there are few takers for what President Reagan once called the magic of the markets; and some of the most ardent campaigners for deregulation were, predictably enough, among the more clamorous in their de-mands for a BP bale out.

Mr Lawson can at least claim that this ideological about turn is not a rescue for the underwriters. He has merely put a floor under the BP share price by arranging for the Bank of England to buy back shares over a limited period at a price that is in line with the closing price on Thursday. The underwriters will thus incur substantial leases, while enjoying short-term protection from a short-term protection from a further market slide. This has the merit of preserving the orig-inal point of the exercise, which was precisely to protect the Government and the taxpayer against market instability while turing that the market comes ler less liquidity pressure.

### Better compromise

The risk that the American investment banks, whose under-writing system left them more writing system sent them more exposed to losses than the Brit-ish, would depress the market by dumping BP shares in Lon-don, can now to some extent be

Certainly it looks a much beter compromise than the proal by Shadow Chancellor Mr John Smith that the share offer national economic policy came should be stopped tout coust - a home to roost a fortnight ago. The prerequesite for stable should be stopped tout coust - a home particularly odd suggestion to come from Labour, given that it share would involve baling out not on- now as then: a credible US fis- world's stock markets. taxpayer's expense. There does nonetheless remain a risk that sustainable level for the dollar, one arm of government may end up buying frantically what another is selling busily, if the stock market slide resumes. Markets will retain the right to administer another as literature. And Mr Lawson has not so far administer another salutary provided an answer to the shock to all our systems.

territory's futures exchange.

Mr Xu has climbed a steep

to 1997, when China will regain

The timing was exquisite. Hong Kong's financial crisis had been looming for almost a week; an initial HK\$2bu rescue fund was arranged at high speed and entirely through local efforts.

China's officials and bankers in Hong Kong were not invited to take part in this first phase -

sovereignty over the territory.

plight of the small private investors whose ignorance of the stock market led them to put in for the shares despite the crash in the Places despite the crash in the BP share price.

Popular capitalism

The dangers of selling popu-lar capitalism as a by-product of privatisation have never been more clear. Too much of the marketing emphasis has been on joining the party and making instant profits; too little on educating inexperienced investors in the real nature of a market in risk central. risk capital. By failing to strike a sensible balance on this score the Government has jeopar-dised one of the more important planks of its programme for a

liver term.
Ironically, the fact that private share ownership is not very widely dispersed in Britain affords some protection against the wider economic consequences of the market crash.
Because such a high proportion of savings is undertaken through the medium of insur-ance companies and pension funds, the British people are less prone than their American less prone than their American counterparts to feel squeezed when share prices go down. At the same time, a financial system in which the big capital market risks are undertaken primarily by giant savings institutions instead of investment bankers is likely to be more robust in the face of stormy financial weather. That is why the British insurance fraternity was not pressing for the BP issue to not pressing for the BP issue to be stopped, while the Wall Street bankers were pulling all available strings for a bale out. The Americans took on excessive risks in the heady atmosphere of a bull market. For them, the consequences of greed are inevitably more painful than for those who are simgreed are inevitably more painful than for those who are simply putting other people's money at risk. That is not to say that the crash has been purely a matter of financial structure or financial structure or financial structure or financial structure or of technicalities. Markets have been looking to governments for been looking to governments for reassurance; and to a limited extent governments have provided it through exchange rate latervention since the Louvre Accord. But the result has simply been to transfer volatility to the capital markets, where the record control is the capital markets.

Chancellor Lawson may have calmed the stock market with his BP safety net. But big questions remain, say Max Wilkinson and Richard Tomkins

# Out of the valley of death but only just

with people like that?"
The strain on transatlantic relations is not the only negative outcome of the BP affair. There is no doubt, that for all the Chancellor's fighting talk, the Government's privatisation strategy has suffered a serious reverse and that Britain's biggest company has itself has been dealt a mighty blow.

For BP, the last few days have brought a terrible reversal of the grand confidence of recent months. After completing the

the grand confidence of recent months. After completing the acquisition of Standard Oil of the US in one of the biggest deals in history, the company was confidently planning further expansion, backed by strong cash flow and a much wider equity base. Yesterday, it was wondering nervously whether a complete collapse of its share price might transform its share price might transform if from sleek predator into timo-

for the 2.19bu new shares on is-sue should, coupled with the size and underlying strength of the company, protect it from un-welcome stacks. However, the welcome situcia. However, the sight of the Old Lady striding on to the pitch as long stop can hardly be reassiving to Sir Peter Walters, BP's chairman. He was notably cool about the Government's effort to hype up the UK market for the greatest share offer of all time, and has kept studiously out of the public eye during the sales campaign.

These new shares, valued at £7.2bn only a fortnight ago, are now, in the phrase of one Whitehall official, "a flotation chamber full of water", which could

ber full of water, which could greatly hamper BP's ability to However, as Sir Peter and his senior executives surveyed the wreckage of the issue yesterday, they took bleak comfort from has spent the last six years get the fact that it might have been a lot worse. The basic structure watch the industry's standard of BP remains as sound as it was before the collapse in stock ative lead. With huge cash respectively as a scramble by unsophisticated serves, and little debt. Shell's

litical complications, forced it to make a cash offer for Stan-dard rather than the more pru-dent share exchange. Then its ability to raise more equity in the UK was severely hampered by the prospect of a huge gov-ernment share sale. Complicat-

A US underwriter accuses the British Government of "mulish myopia" in imposing such a drain on resources when central banks are pumping

ed negotistions were seeded before a formula could be agreed for combining the two. The rights issue has reduced BP's debt to debt plus equity ra-tio from just under 40 per cent to around 30 per cent. Without if the company would have been in a much worse mess.

In the absence of the Government's share flop, the world-wide collapse of stock prices would therefore have strengthened BP's ability to continue its desired path of expanding by acquisition. For the time being at least the company is likely to be constrained by the need to erve every ounce of its fi-

THE BATTLE OF the British Petroleum share issue may have been quelled by the Lawson truce, but the sears of war will not be easily forgotten.

This isn't about our losses at all, said one of the American underwriters whose firm stood to land a hefty slab of \$240m (£139m) costs in midweek. The about a reasonably important financial power behaving with reckless disregard for the consequences of its actions.

The shout the sheer Earl Cardigan lunacy of doing this offerman lunacy of do

Mr Lewson, for his part, must be praying devoutly that for the medium term, he will prove to have struck the right floor price when agreeing to the clever idea of making the Bank a buyer of last resort. He was clearly horrified by the possibility, however uncertain, that as trading in the new issue started, BP shares might spiral downwards into the hands of, say, the Kuwait Petroleum Company, or, who knows, some transatiantic

The Chancellor however, could be forgiven a sense of deja we when he stood to face the music in the Commons on Fri-

Five years ago, almost to the day, another privatisation issue Britoil's flooped. Like BP's, it was, at the time, Britain's biggest-ever share offering. It involved an oil company, And it was Nigel Lawson, then Energy Secretary, who stubbornly refused to withdraw the issue when a sudden collapse in the oil price condemned it to fall-use.

Then too he took an aggressive line. Britoil has now been successfully privatised on eminently fair terms for the taxpayer," he said - a reference to the fact that the actual proceeds were much higher than they would have been at the first-day



investors at a time when the stock market was approaching a historic peak in real terms and when perceptions of the US's difficulty in avoiding either a recession or a collapse of the dollar had been growing steadi-

By mere good lack, the issue was left with the underwriters rather than with millions of volers, who would would have clamoured plausibly that the Government had created take expectations and should have understood the world economy befor.

of Commons in little doubt on Thursday night that it was from the US that the strongest criti-cism and pressure for a with-drawal had come. In contrast, the Government and the City emerged from the affair with an outbreak of hearty mutual

But the BP affair is much one reason for the difference more serious. At £7.2bn, the of in attitudes between the UK fer was more than 13 times the and US was the way the undersize of Britoil's £549m issue and writing was done. In London,

underwriters - Goldman Sachs, Morgan Stanley, Shearson Leh-man and Salomon Brothers -bore the whole of their risk

The formal request for the withdrawal of the issue came from the 17 UK underwriters, not from the US. But the 17 said this was because they were the only parties empowered to make the request and they felt it right that the question should be aired. (The fact that some

was madness even to consider proceeding with the BP issue in the face of extreme fragility in the international financial marhets. One of the US underwrit-ers privately accused the Brit-ish Government of 'mulish myopia' in imposing such a drain on resources at a time when central banks around the world were trying to pump liquidity into the system.

Datie is that the success of part watisation was due at least in part to a speculative bubble that has now burst, that stocks

lantic cousins and put itself firmly on the side of the Treasury in dismissing the arguments for pulling the issue.

The consequences of going ahead with the BP offer have been been blown up out of all proportion," said a leading UK equity market analyst.

"Let's just remember that the collapse in world stock markets was caused by a perception that the US trade delicit was out of control. The BP offer is just a side issue, the half-time interval in the football match: it's just a lot of girls in pom-poms marching across the pitch.

The market's salvation rests on the outcome of negotiationsi between Reagan and Congress on the US budget deficit, not on the BP offering BP is not going to make or break the London market, let alone the rest of the

The reason for the unity of view between the Government and the City is not hard to see. Underwriting is normally a incrative business and both parties would have faced an outery that he was the city institutions had been ites would have faced an outery
if the City institutions had been
let off the hook for this issue.
The Treasury has probably
reaped far higher proceeds by
proceeding than it would have
done by postponing. And the
City feels that its willingness
and shifter to should the nuder. and ability to absorb the under-writing losses has reinforced its credibility as an international

The Chancellor claimed with would be many more privatisa-tions. That may be. But even when equity markets stabilise, a major rethink of strategy will be necessary. Certainly the view from New York was that he would find it much more difficult and expensive - to obtain overseas underwriting in future. In the domestic market even for a veteran privatisen like the merchant bank, N.M.Rothschild, it would take some chutzpah to mount another television and poster spec-tacular like that intended to sell BP gas and electricity to the

Mr David Willets, the former Treasury economist who is now head of the Conservative Centre for Policy Studies, thinks the consequence of the "Crash of 87" will be that small investors will be more inclined to go for steady yields than issues which offer the prospect of a quick capital gain. And he believes a move towards smaller flotations could help those who want to could help those who want to split up the Central Electricity Generating Board for sale rath-er than dispose of it in one block.

However although the BF de bacle may set back the cause of wider share ownership, the Government's overall privatisa-tion pregramme for this year and next looks secure. The had taken on small tranches of sub-underwriting prompted cynics to suspect an element of self-interest, too.) The UK sub-underwriters, meanwhile, loudly tranches worth £5.2bn this year, with another £4.4bn in the pipelion to take their losses.

The American view was that in the Gas and British Telecom are due to be repaid this year or next was machess even to consider due to be repaid this year or next was so up to April 1968. next year. So up to April 1988, about \$11bn will be pouring into Mr Lawson's coffers even if nothing else is sold.

But that is mere Treasury book-keeping. The lesson that many will draw from the EP dewriting was done. In London, the 17 chief underwriters were able to lay off most of their risk among well over 400 sub-underwriters - instrance companies, pension funds and the like - 20 or at least, that part of it withpension funds and the like - 20 or at least, that part of it withleir individual exposure to losses was relatively small. In underwriting - seemed to relish New York, however, the four US the discomfiture of its transat-

### Man in the News

Xu Jiatun

# ON MONDAY, as Hong Kong's stock market plunged more than 1,100 points, Xu Jiatun, the 71-year-old head of Peking's unofficial embassy in Hong Kong, slipped away from a critical party congress on the mainland and took the first available flight to Hong Kong. In the following 12 hours, Mr Xu, who heads the New China News Agency in the territory, learned more about stocks, shares and futures contracts than in the whole of his previous four years in Hong Kong, He The day **Peking** than in the whole of his previous four years in Hong Kong. He was briefed on an informal basis by Mr Willie Purves, chairman of the Hongkong and Shanghai Banking Corporation. Mr David Ford, Hong Kong's acting governor, brought him fully up to date on the crisis. By the time he stepped back on a Peking-bound aircraft the next day, he had aircanged for the Bank of China to take a one-third share in a HK\$1bn (575.8m) 'lifeboat' fund for the territory's futures exchange. did its bit for capitalism

Mr Xu has climbed a steep learning curve since arriving from Guangzhou (Canton) in June 1983 with unruly swept-back hair, the openneeked summer shirt which is the hallmark of senior party cadres, his eyes hidden behind the dark glasses beloved by China's menacing traffic police. His intervention in last week's rescue exercise highlights a new mood of stylised cooperation between local and Chinese officials in the run-up to 1997, when China will regain By David Dodwell in Hong Kong

of support, and it is a measure of Paking's increasing alertness to local sensitivities that they

what was not expected - and indeed stunned a number of local bankers and officials involved in the rescue - was the speed with which Mr Xu got Peking to act. This spirit of cooperation - not to mention fleetness of foot - would have been out of the question four years out of the question four years

in part because of their reputa-tion for reaching decisions slowly, and in part because offi-Mr Xu has not always been so cooperative. Local political figures recall that soon after his arrival, he made a widely-publicials on both sides feared the impact on confidence if the Chiimpact on confidence it the Chrinese were seen to be too eager to interfere.

Local officials felt that diplomatic niceties were better served by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadrangle of brothels, one-time opium dens and illegal dental surserved by inviting the Bank of China to join the second phase cised visit to the Kowloon walled city - a squalid quadran

defiance of Britain.

His first press conference in November 1985 also sent sparks flying: he shook a copy of the Sino-British joint declaration in the air before a selected green.

ritory inside Hong Kong. The visit was seen at the time as a News Agency in Hong Kong, Mr perverse gesture of sovereign Ku is also in charge of the local Chinese communist party,

flying: he shook a copy of the Sino-British joint declaration in the air before a selected group of Chinese journalists, and accused Britain of deviating from the letter and the spirit of the declaration.

This attack began two years of concerted Chinese resistance against local proposals for political reform. The resistance climaxed last summer in an extensive effort to persuade local people to reject calls for direct lections before the 1990s, when China's own mini-constitution for Hong Kong will be

Work Committee.

Formerly governor of Jiangsu province in distant central China, Mr Ku's appointment was a clear break with the past. His two predecessors had close links with the so-called 'East River gang' in Guangdong province, neighbouring Hong Kong. With its base in the Cantonnese speaking south of the country, this group - which controlled the local communist party had long been seen as reluctant to respond to directives from Pelicular to the local communist party had long been seen as reluctant to respond to directives from Pelicular to the local committee.

king.
Over the past four years, Mr
Xu has successfully pushed this

gang aside, replacing it with a combination of mainland and local officials in a reorganised agency which has 10 departments that mirror departments in the Hong Kong government administration. Some local politicians have suggested this is intended to be a "shadow government", preparing to replace the existing colonial government in 1997 - but this is perhaps too machiavellian an assessment.

Mr Xu has also overseen rapid growth in the economic and financial interdependence of China and Hong Kong. A total of 146 mainland companies now have an official presence in the colony.

olony. Most notable perhaps has been the dizying growth over the past three years of the 13 "sister banks" that operate un-der the umbrella of the Bank of China. Their drive for an en-hanced share of local loan business has generated anxiety and antagonism among competing

banks.

It is a measure of the Bank of China's conservatism - despite its drive for growth - that it and stockbrokers like Chung Mao which are linked with it, appear to have emerged unscathed from the current crisis. While other banks have been lending to speculators in the equity market, the Bank's preference for mortgage business and industrial loans means it does not now face repayment problems. now face repayment problems. It is not clear whether Mr Xu

It is not clear whether Mr Xn played any part in steering the Bank of China in this direction, although it is known that friendly bankers had forewarned him of overheating in the equity markets.

Whatever his involvement, it is all likely to prove valuable experience for what Hong Kong's Chinese newspapers are suggesting Mr Xu wants as his next appointment - the first Governorship of Hainan after it is given provincial autonomy from Guangdong, Former leadfrom Guangdong Former lead-ers on this tropical island off China's southern coast have gained notoriety recently for currency speculation and black

market trading
The lessons learned in Hong
Kong's anything goes economynot least the lessons of the past two weeks - will no doubt stand him in good stead.



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Yet, for all the fascination of

ocuvrings, the Government's

main concern is with the implication of the upheavais in the markets. Mr Lawson certainly had a triumph on Thursday night, but that does not solve any of the underlying problems and the gloss has, for the triangle of triangle of the triangle of trian

the time being, been taken off the wider share ownership

Mr Lawson will undoutedly have a reassuring message

about the state of the British economy and of public fi-nances in his autumn state-

ment on Tuesday, but as impor-tant will be the caveats about

world trade and exchange

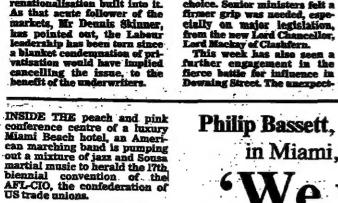
For the first time since 1981, the opposition parties (and that means just Labour, with the Alliance in continuing disarray) scent the possibility that the economic and political mood may be starting to change. Thanks to Mr Lawson, the Government has not so far been seriously shaken by the market crisis. Yet, the postelection triumphalism of the summer may be beginning to

IT HAS been a extraordinary week for the Tories. The mar-het uphenvals may have at-tracted most attention - but there have been other political events with far-reaching conevents with far-reach ents with far-reaching con-quences for the British Gov-

lution to the BP share flots. tion. It may not have been popular capitalism, but it was certainly Tory populism in ac-

chamber late at night, Mr Lawson won unusually warm plan-dits from his own side ('brilliant', 'wise'), with one backbencher even suggesting he had arranged potentially the greatest short sale in histo-

feeted the opposition, for all Mr John Smith's sharpness in pointing out that BP was the pointing out thus or was first privatisation which had renationalisation built into it. As that acute follower of the markets, Mr Dennis Skinner. has pointed out, the Labour leadership has been tern since temerating has been term amove a blanket condemnation of pri-vatisation would have implied cancelling the issue, to the benefit of the underwriters.



Outside, America marches to the beat of a different drum. US employers and employees alike consider labour unions largely an irrelevance. Buffeted by eco-nomic, social, industrial and po-litical change, unions in the US have long been in decline: in 1945, they organised 35 per cent of the US workforce; that figure has since fallen to only 17 per

But this week, for the first time in most union leaders' memories, the talk is of rises rather than reverses, successes rather than setbacks.

The labour movement is here to stay," says Lane Kirkland, AFL-CIO president. "We have survived every trial by ordeal so far, and those who seek our ex-tinction should take heed: we win because we will not quit."
Charles McDonald, another senior AFL-CIO man, says that
this year could be a real turning point for the unions, and
points to some "encouraging
signs".

of in the photo sector, air tran-fic controllers have voted over-whelmingly in favour of a new-ly-formed union, six years after President Reagan fired II,000 of them, and broke their union.

Straws in a very harsh wind, now hold union credit cards); a

In the private sector, 25 years perhaps. They stem, according programme of reduced-dues as-



In any other week, there would have been a let more dis-cussion of the resignation of Lord Havers as Lord Chancel-

Peter Riddell looks back at a turbulent week for the Government

# Tory populism in action

ed decision of Lord Young, the It is not often that a Conservative Chancellor can accuse Labour of wanting to hand allon to City underwriters: "We know that the Labour Party today are simply the friends of Goldman Sachs." And Mr Lawson made plain his amorgance with the amargancy underwrit. Trade and Industry Secretary, to withdraw from consider-ation as Conservative Party. chairman is part of a lengthy power struggle. This has been about much more than the chairmanship of the party er-ganisation - a business with turnover of £5m 2 year employ-ing 12% needle. with the overseas underwrit-

The argument has been about who has the Prime Min-ister's car. It has been compared to the manocuvrings at a medieval court where the sov-ereign remains, but the court-iers move in and out of favour (Mr John Biffes, Mr Cecil Par-kinson, Mr Norman Tebbit and Lord Young). And some long-standing servants of the state (Lord Whitelaw, Sir Geof-frey Howe and Mr John Wake-ham) remain in positions of in-finence, never challenging the

At the heart of the buttle has been a clash of personalities. Relations between Mrs Thatch-er and Mr Tebbit cooled in the summer of 1986, partly be-cause of his increasingly independent stand and partly be-cause of her worries over arganisational weaknesses in Conservative Central Office. This spring shortly before the election campaign, Lord Young was put into Contral Of-fice by Mrs Thatcher. While Mr Tebbit undoubtedly has a clear strategie view, he is not a natural manager.

tion campaign was somewhat chaotic with a divided leader-Thatcher. Bitterness was increased by an intense rivalry between advertising agencies. So when Lord Young's name began to be mentioned at a pos-sible successor, there was bound to be opposition. Mr Tebbit, who was irraically as responsible as anyone for bringing Lard Young into publie life, made no secret of his belief that his former protegge should not combine the chairmanship with being Trade and Industry Secretary.

Industry Secretary.

The same point was taken up by the Cabinet old guard - the Whitelaw/Wakeham axis, reinforced by chief whip Mr David Waddington. They pointed to a possible conflict of interest between Lord Young's ministerial responsibilities for regulating the City and the chairman's role in raising money from business.

Mrs. Thatcher, however.

Mrs Thatcher, however, wanted Lerd Young as chair-man since she valued his ar-ganisational abilities. Until this week it looked as if she would get her way. But the

guard, plus the intervention of Sir Patrick Maybew, the attor-ney general, persuaded Lord Young to step down - especialmise plan to transfer some of his regulatory responsibilities.

Mrs Thatcher was left in the samewhat embarrassing posi-tion yesterday of asking Mr Tebbit to stay on for a week while she found someone else. The choice is between a Cabi-net minister like Mr George Younger or Mr Norman Fowler, or a minister of state, like Mr Peter Brooke from the Treasury, as an interim move until a more senior figure is

is a let to do at Central Office. Staff morale is low, there are competing departmental bar-onies, as well as financial

problems (the Tories continue to lag behind the SDP in direct mail fund-raising) and an ab-sence of clear direction. Mr Tebbit has already undertaken a review, leading to a focusing of resources on the inner cities. Wheever becomes chairman, a chief executive is likely to be appointed to streamline the organisation and supervise a move of effices.

The withdrawal of Lord Young can be seen as further ce that Mrs Thatche has to carry her senior col-leagues more often than is sup-posed. It is also a reminder that the Whitelaw/Wakeham axis still counts in crunch de-cisions in limiting the power of outsiders. Lord Young may

customers' placemats. If fore-casts of a much more slowly expanding workforce to the end of the century prove correct, such trends will be accentuated.

summer may be beginning to

US unions are starting to ex-ploit this situation by focusing on training and other pro-grammes, with an eye to making ground among the 20m-strong educational underclass of illit erate Americans, and, as the Amalgamated Clothing and Tex-tile Union has done, joining with employers to invest in re-search into new technology in a bid to save industries.

tions; the AFL-CIO's report to the convention limits itself to the convention limits itself to the sober statement that "a string of successes in organis-ing, legislative and political work in 1987 bode well" for workers and their unions. Union leaders acknowledge that while the recent advances have been satisfying, they have hardly been massive in scope.

a long way from popping the champagne corks to celebrate its comeback; but its long term decline may at last have bot-tomed out. Given the American traditions of enterprise and in-dividualism, unions in the US will never be a dominant social force. But as Lane Kirkland says: We are today on the road again - to a resurgent labour movement, with growing num-bers, stronger organisations, deeper solidarity, and a voice that will be heard."

Philip Bassett, at a congress of US labour leaders in Miami, sees modest signs of a revival

# 'We win because we will not quit'

after a publishing company de-recognised five unions in a bit-ter strike, employees at Arcata Graphics in Kingston, Tennessee voted two to one for a union the largest recognition victory in five years involving the Gov-ernment's National Labour Re-

lations Board. • In Indianola, Mississippi, a largely anti-union area, mainly black and female workers at two cattlah processing plants voted for union representation.

• Adolph Coors, the beer company, agreed to union elections and other union conditions af-

this year could be a real turning point for the unions, and
points to some encouraging
signs:

I in a surprise eve-of-convention move, the controversial
Teamsters union the largest in
the US, and still beset by corfic controllers have voted overwhelmingly in favour of a newly-formed union, six years after
ly-formed union of a newly-formed union of the line of the

sociate membership, union bensecretary-treasurer, "from the
hard work and effort that has
been going forward over the last
five years to strengthen our institutions, re-design our methods and broaden the appeal and
increase the services and benefits that unions offer."

Sociate membership, union beneffits for those who have moved
out of unionised work; and a
"Union, Yes" - the slogan of the
Miami conference - to sall
unionism to the American peoincrease the services and benefits first funions offer." fits that unions offer."

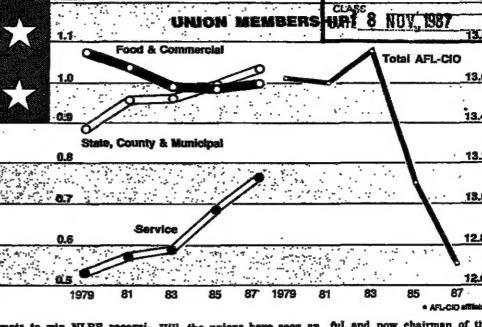
They can be traced back to a landmark initiative two years ago - a report called The Changing Situation of Workers and Their Unions - aimed at motivating unions in the US to seize what could be their last chance. The Miami convention is the The Miami convention is the first to look at the practical results of the initiative: greater emphasis on organising, including a system to give individual unions a clear run at recruitment and recognition in non-union companies, free from damaging inter-union competition; an impressed package of tion; an improved package of union benefits (Im members

AFI-CIO membership falling only 3 per cent between 1985 and 1987, compared with 5 per cent in the two years to 1985. And union recognition elections have showed net gains for the unions at the same time as the number of union members lost through de-recognition has follen to a seen-mear lost.

lost through de recognition has fallen to a seven-year low.

Yet serious questions remain about the unions' long-term role. In the main, US employers neither want nor need unions.

Employers continue to buy in expensive union-busting conpresidency in trouble and the Democratz in control on Capitol



lar, and successful - the recent National Football League strike, which was broken through the use of replacement

tempts to win NLRB recogni- Hill, the unions have seen an on elections.

Such strategies are still popubour legislation put before Congress covering issues such as notice of plant closures, occu-pational diseases, parental and medical leave, the use of lie de-

ful and now chairman of the Senate's Labour Committee: "America today stands poised on the threshold of a new era in

workers' rights." Other trends may also be running the unions' way. Tighten-ing labour markets are leading tectors at work, the statutory ing labour markets are leading minimum wage and controversial non-union practices in the construction industry. In the words of Senator Edward Kennedy, former presidential hope-

# **Stabilisation**

scheme

Professor Buiter's idea fund (October 22) to be run by the government (meaning of course academic economists resheer folly for many reasons clever enough to perform the task. The analogy with exchange rate stabilisation is hi-larious because the govern-ment's perception of the correct exchange rate has been regular-ly wrong for over 60 years. Also it has been proved that market forces win in the end, and the same would happen with regard to stock market values.

It is unfortunate that foolish speculation can occasionally cause crises. They are only serious if someone takes them seriously. They are best ignored and stomached as part of the necessary evolutionary process among speculators. Foolish speculators soon lose their shirts and thereby cease to be a menace. They should be al-lowed to do so. Successful spec-ulators survive and thrive and

In the current flasco the substantial losers may not be those fund managers who thought they could sit back and leave it all to the computer, forgetting that numerous other fund managers have bought the same computer program so that they will all do the same things at the same time with a chaotic result. Luckily the computers are suit. Luckily the computers are almost certainly programmed to buy when the fall has gone a predetermined distance, and the resulting upward surge will be certain and violent, except possibly in the UK. A serious problem will arise only if the fund managers obey the SEC's request to switch off the computer programs.

The idea that the British gov-ernment could stabilise the market is particularly senseless in this instance because it is government action that trig gered the instability. When a government sells capital assets in order to spend the proceeds on current expenditure it is a rule of economics that there must be a matching reduction in current expenditure by the public in order to finance the purchase of financial assets. That is, government improvidence must be matched by private sav-ing. As there has been a tendency for too much saving by the personal sector of the economy the privatisation sales have till been a useful corrective. but the BP issue pushed things too far. it probably represented an attempt to push the sale of assets by the government to a point beyond the personal sec-tor's willingness to invest savings in company securities. The effect is similar to the result of imposing a capital tax such as a wealth tax. One re-

# Letters to the Editor

was two professors of economics who published a paper advo-cating a wealth tax which was expected to raise an annual sum which, apparently un-known to the professors, was beyond the sum then being devoted by the personal sector to the purchase of financial assets. It the propensity to sell capital assets to the propensity to buy them for the market to go into free fall. One reminds readers that it was the unprecedented attempt by the insurance and superannuation funds to be-come net sellers of about £50m of company securities in the last quarter of 1974 that caused a stock market crash.

I am absolutely certain that

no government, no civil servants, and among academic economists only the ghost of the late Lord Keynes, could successfully operate a stock market stabilisation fund. But that is not to say that the government should recklessly do things which destabilise stock mar-kets. Focing the underwriters to take up the BP issue will weaken the market for some time: it should be cancelled and turned into a tap issue to be marketed to private individuals like National Savings Certificates. That would achieve the government's objective of widening share

ownership.
Although over hasty privatisation is a danger to stock market stability, I think that the 1965 Finance Act will continue to hold the record for damaging

Geoffrey W. Gardiner, 3, Molly Potts Close, Kuntsford, Cheshire

### The message of the markets

From Stephany Griffith Jones Sir,- Michael Prowse's excel lent article of October 29. The message of the markets' very lucidly analyses the long-term policy implications that should emerge from the fall in the world stock markets. If "laissez faire" policies have worked badly in a number of spheres, it would seem logical that mar-kets be regulated and managed again to a greater extent by gov

The difficulty, as usual, is the time lag between changes in perceived desirable policy cri-teria and their implementation. For a shift to occur towards greater management of the mar-ket, either the current industrisuch as a wealth tax. One re- al governments would have to not all Charlie's fault, but sub-calls that in the early 1970s it | quite dramatically change their | sequent events show that other

free-market analysis and policies and/or we would have to wait till they are replaced by political parties less constrained by a dogmatic belief in the virtues of unfettered market forces in all places. There are some indications of the first trend, eg in the attempt to manage exchange rates by industrial governments, but the moves are too timid and too slow. Opforces in all places. There are some indications of the first trend, eg in the attempt to manage exchange rates by industrial governments, but the moves are too timid and too slow. Opposition parties have not size. position parties have not given enough thought to the increas-ingly urgent issue of alternative market management's schemes, for example of private interna-tional financial flows.

Lucid analysis like that of Mi-

chael Prowse is clearly a key necessary, but not a sufficient condition for policy change. It is the minds of politicians - and their electorates - as well as that of senior civil servants which need to be changed. Let us hope that such changes occur with the necessary speed to svoid further international eco-

Stephany Griffith Jones, Institute of Development Studi University of Sussez, Brighton.

### Charlie better up north

From Mr I Stern.
Sir, it is good that, having concentrated on business during the week, the Saturday paper gives room to sports news. You will however have to do better than the ill-informed article by Stein Nellon or the terms of Brian Bollen on the tenure of Charlie Nicholas at Arsenal

(October 24).
As one who has watched the cinb regularly over the past sev-eral seasons, the only points of agreement are that Charlie was bought to score goals and that, sadly, he has never fulfilled the potential he showed in Scot-land. It is absolutely untrue that the club forced him to play in midfield. Successive managers gave him every chance, playing him anywhere and everywhere, to see if he could provide the goalscoring service that they needed. My conclusion is that although he has the skills in abundance; he does not possess the bite in the tackle to get through First Division defences and the application to keep try-ing throughout an entire game. Let us return to goal scoring. When Nicholas was dropped after the first three games of the season the team had scored just one goal. In the next nine games Arsenal has scored 21 goals (only Liverpool have scored more);

never displayed that talent on a sustained basis south of the border and that is why there are no takers for his services at pres

Jonathon P Stern, 157 Stupleton Hall Road, N4.

### BA - BCal merger

From the Managing Director

Sir,- In his article of Octobe 26 on the proposed BA/Bcal merger, Michael Donne quotes Sir Celin Marshall, chief execusir Celin marshall, enter execu-tive of British Airways, as say-ing, Some of our British com-petitors claim we are too big, but we look at some of our international competitors and feel very strongly we are too small. It would be interesting to know who these international com petitors are. They are certainly not those listed in the table at the bottom of the same article, since the huge numbers of scheduled passengers shown against each airline are carried operatelyingty or exclusively overwhelmingly or exclusively on domestic routes where Briton domestic routes where British Airways does not compete.

Similarly, the vast majority of the 17m passengers carried by British Airways in 1986 was on domestic or European routes where the competition from the listed mega carriers is either negligible or non existent. It is true that the US carriers may have ambitions to expand their international operations, but the fact is that except on the north Atlantic routes British Airways is largely protected by the system of bilateral air services agreements which restrict or prohibit such competition Moreover, it will be many years if ever before most of these agreements and their restric-tive clauses disappear.

The main objection to the BA/ BCal merger however, is the effect it would have in the UK domestic and European markets where the mega carrier argument simply does not apply. On the UK domestic routes the merger would eliminate an important element of competition on the main trunk routes from London which hitherto has and risen to third in the League. The early dearth of goals was not all Charlie's fault, but sub-

been provided by Beal out of Gatwick Similarly, BCal has of-fered alternative opportunities out of Gatwick to the nearer Eu-ropean destinations like Am-sterdam, Paris, Brussels and Frankfurt. As proposed, the merger would give British Air-ways control of these routes in addition to its existing parallel routes out of Heathrow.

The fact is that the indepen

dent airlines have been an irri-tant to British Airways and its predecessors since the early 1960s when changes in legislation allowed them to make mod-est encroachment on what had hitherto been the state corpora-tion's exclusive preserve. The merger with BCal would get rid of the major part of that irritant at a stroke. At the same time it would give BCal's shareholders a return on their investment - a prospect which must previously have seemed increasingly re-mote. It is not therefore surprising that the two parties were so keen to see the merger rushed through without even a reference to the Monopolies and Mergers Commission.

If the merger does go through it is crucial to the preservation of competition on scheduled services within the UK and into Europe that BCal's previous role in these areas is trans-ferred to other British airlines.

Saddened by

### Lester From Mrs M Beale.

Sir.- May I say how much I agree with Justinian's article of October 26.

October 26.

I have been saddened by the savage sentence imposed on Lester Piggott - he never stole from anyone or beat up old women, or abused small children - so why fill our prisons with company whose freedom. with someone whose freedom does no one any harm. He is probably one of the greatest horsmen of all time, but probably not a man of reason or impartial intellect - I think his gut instinct is to stick to every penny he earns. After all he has earned them with 'blood, sweat and tears', broken bones and starvation, and with a unique understanding of hors-

es and racing.
Throughout history, horse manship has been valued and admired and Lester Piggott by his achievements has added to our national prestige, but all we do is pick on him, among many transgressors, imprison him and possibly deprive him of his livelihood. I for one will still admire him

for his courage and lament the penalties imposed on him, as Gilbert and Sullivan said "Let the punishment fit the crime, the punishment fit the crime'. It

pened. Mrs M.R. Beale,

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# Berisford adjusts line on ABF bid

S& W Berisford directors had little choice but to shift their of-ficial stance towards the £767m bid by Associated British Foods from forthright rejection to grudging neutrality. With the sugar group's shares trading be-low 365p earlier this week, urging shareholders to spurn ABF's 400p cash offer could well have been challenged as neglect of fiduciary responsibil-

In the hope that the stock profits to £72.1m.

THE S. & W. BERISFORD GROUP Restrictured for Growth

vance reported for 1986, and

The group has made total provisions of £28.3m relating to the closing out of its tin contracts on the London Metal Exchange, but had been advised that it had a Teasonable chance of recovering about 221.5m claimed from the International Tin Council and its government

In the hope that the stock market may recover sufficiently before the bid closes to shift attention to arguments other than price, Berisford yesterday published a defence document which emphasises what it claims is a "fundamental restracturing" of the group during the last 18 months.

Because its end-September financial year closed only a day before ABF launched its bid, Berisford asid a group profits to E22 m of the before ABF launched its bid, Berisford asid a group profits to E22 m of the total fixm would not be available until mid-November. However, its wholly-owned British Sugar as subsidiary yesterday reported a substantial portion of borrow
It also revealed that Brink's finance-related activities which are customarily highly swared:

Berisford devoted two pages finance-related activities which are customarily highly swared:

Berisford devoted two pages finance-related activities which are customarily highly swared:

Berisford devoted two pages finance-related activities which are customarily highly swared:

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British Suga

# Strong growth at Portsmouth Sunderland

HALFTIME profits from the day of The Guardian. It now, in Portsmouth and Sunderland addition, printed 165,000 copies Newspapers group, printer and publisher, showed strong 400,000 each week of The Ob-Portsmouth and Sunderland Newspapers group, printer and publisher, showed strong growth, moving ahead from £948,000 to £2.49m in the period to September 26. Earnings per share rose from 4.8p to 13.1p.

We have had a very good first half, said Mr Charles Brims, chief executive. The profits increase was due principally to higher advertising and contract printing sales.

Advertising revenue, which represented about 42 per cent of turnover, had grown by more

or turnover, had grown by more which are currently five a year.
We opened two in the first half than 20 per cent on last year's and hope for between five and first half. Contract printing eight by year end.

Retail contributed and accounted for 18 per cent and accounted for 1

ICI in talks

on German

fibre deal

accounted for 19 per cent of of turnover, though in profit turnover. This time last year the terms it showed the smallest

has incurred considerable expenditure - £17.75m in the past five years - on plant and equipment and is now reaping the benefits of that investment. The

Newspaper sales, 13 per cent of turnover, were just ahead of last year. The company owns three evenings - the News in Portsmouth, the Echo in Sunderland and the Mail in Hartle-pool-four weeklies and 10 free-chools Portsmouth where it hurts, on The tax charge for the six advertising revenue. With propmonths was £830,000 (£289,000). erty, motor, retail and recruit-An extraordinary debit of ment advertisements bringing £35,000 (£84,000) was attributed in most revenue, a cut in conto goodwill. An interim dividend of 1.21p (L.1p) was declared.

Comment

# Geers Gross slides into red

Imperial Chemical Industries announced yesterday that its fibres division is having talks with Vebs, a West German energy and chemicals conglomerate, over the possible acquistion of the latter's fibre-manufacturing subsidiary at Neumunster. The company in question, Norddeutsche Faserwerke GmbH, makes about 27,000 tonnes of synthetic filament yarns, carpet and textile fibres and sells principally into West and sells principally into West-ern Europe. It employs 1,250 people, is described as a "stand-alone" operation within the Veba group, and makes about film annual profit. Assets of the group are put at under one per cent of the ICI's net worth - currently estimated at

According to ICI, talks are fairly well advanced and a deal could be secured within a few months. The acquisition would, however, require approval from the Federal Cartel Office in

### Parkway in graphics deal by Dine Mediand

Parkway Group, a London-based company which provides a range of pre-production services for advertising agencies and which joined the USM in July, has conditionally agreed to buy Front Page Graphics for an initial #250,000 through a mixture of cash and shares. Front Page was formed in 1981 and provides typesetting services for design companies, art studies and advertising agencies.

a joint venture providing direct input typesetting services to fi-pancial institutions and other organisations. Pre-tax profits for the year ended January 31 slid to £51,000 (£144,000) on turn-over of £1.5m, Teflecting costs incurred in relocation and investment in additional staffing the company said.

Additional payment for the purchase would be dependent on the future profitability of Front Page, and financed through the issue of loan stock. The existing directors will remain and Mr Pater Ross, Park. main, and Mr Peter Ross, Park-way chairman and managing di-rector, will join the Front Page board.

Clayton Son \_\_\_\_\_int Cohen (A) \_\_\_\_\_int Craig & Rose \_\_\_\_int Eastern Produce \_int Fundinvest \_\_\_int Globe Invest \_\_\_\_int

Nati. Home Loans ...fin New Throgmerton int Portsmonth News .int Richards (Leics) ...int

**DIVIDENDS ANNOUNCED** 

Feb 12 Dec 18

Jan 15 Jan 15 Dec 18

Current

Geers Gross, advertising agency with businesses in the UK and the US, yesterday announced a £1.21m swing into losses of £246,000 for the six months to June 30, 1987. The deficit was due principally to account losses suffered by the UK agency last year.

This is the legacy of manage—This is the legacy of m

This is the legacy of management problems in 1986," said Mr.
Steven Wooloshin, chairman and chief executive of the UK said yesterday, "the UK trading agency, Geers Gross Advertising Following the loss of three major accounts in 1986 - Access, worth 26m; British Telecom, was £40.31m, against £49.63m

The company said yesterday that the 1966 figures had been restated as a result of a change in policy on volume discounts which necessitated a prior-year adjustment to avoid including more than one year's discount in the single year of change.

## **Sharp downturn at Eastern Produce**

Eastern Produce (Heldings) dens have experienced abnorwhich has interests in plantations, trading and agency, engineering and fishing, saw a sharp downturn in pre-tax profits in the half year to June 30. The fall was one of 41 per cent from £3.67m to £2.15m compared with the 34 per cent increase from £1.9.16m to £2.15m compared with the 34 per cent increase from £1.9.16m to £2.71m in turnover.

Earnings were more than halved to 7.6p (16.4p) but the interim dividend is maintained at 2.5p per 50p share.

Production on the company's tea estates in Kenya is currently

Production on the company's tea estates in Kenya is currently marginally ahead of last year, 2806,000 and the share of profit but the company's Malawi gar- of associated companies fell

impact upon the group's earn-ings of depressed tea prices, ad-verse exchange rates and a re-duced contribution from the

### Family brewer buys 50% of Allied Lyons company

to buy Front Page Graphics for an initial £950,000 through a mixture of cash and shares.

Front Page was formed in 1981 and provides typesetting services for design companies, at studios and advertising agencies.

Front Page is also involved in a joint venture providing direct input typesetting services to financial institutions and other organisations. Pre-tax profits for the year ended January 31 slid to £61,000 £144,000) on turnover of £1.5m, reflecting costs incurred in relocation and investment in additional staffing the company said.

Allied Lyens, food and drinks range of wines and spirits, Allied Breweries will also concern has agreed to sell a 50 per cent stake in its subsidiary. Allied Breweries will also have the opportunity of strengthening the marketing of strengthening the population of strengthening the strengthening the population of strengthening the strengthening to st

drinks.

The deal will give Gibbs Mew access to Coopers' extensive free-trade customer base for the sale of its Salisbury-brewed beers, the company said. Coopers will benefit by being able to add Gibbs Mew's beers to its readyer reases, and criming as product range, and gaining ac-cess to Gibbs Mew's free-trade customers and its 80 managed and tenanted houses for its

Of ponding for last

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# issue flop

A & M stages first half recovery

A & M Group staged a recovery in the first half of 1967 although results failed to match the comparable period.

For the six months ended July 31 1967 this hirer of furniture, accessy and studio facilities to the communications industry produced a pre-tax profit of £241,000. The comparison was £322,000 but that had fallen to £33,000 by the end of the year to 283,000 by the end of the year to January 31 1967. Turnover for the six months totalled £2.62m (£2.15m). Sever-

al of the businesses surpassed the sales budget but gross mar-gins remained under pressure. The furniture hire side was not engaged in the sale of furniture and demand within the television commercials market appeared to be returning after a quiet period.

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. \*On capital increased by rights and/or acquisition issues. \*USM stock. \*Un. Earnings per share were 0.28p quoted stock. \*Third market. For 16 months.

Richards (Leicester) falls into the red

and the group ran up an operating loss of £86,000 (profit £181,000). Restructuring coststotalled £105,000 (£12,000) and there was £20,000 goodwill writ-

# Marinex rights

Marinez Petreleum's £5.3m rights issue was a flop, it was announced yesterday. Shareholders took up only 15.1 per cent of the shares on offer. The underwriters have been saved from bearing the full cost of the failure as a further \$3.5 per cent of the shares have been private. of the shares have been privately placed with institutional and other investors.

Restructuring costs and an unsatisfactory performance by the
foundry pushed Richards
(Leicester) into a loss of 2203,000
in the half year ended July 5
1987, and the interim dividend
is being pased.
In the comparable period
there was a profit of £143,000
and an interim of 1.5p. The final
was also 1.5p after the year's
profit hit £234,000.
Tunover fell to £4m (£4.21m)
and the group ran up an operat-

totalled £105,000 (£12,000) and there was £20,000 goodwill written off.

In contrast, contributions from the two engineering subsidiaries were encouraging and, with good order books for foundry and mining equipment, the 1983 outlook for both looked encouraging, said Mr Ernest Tyerman, chairman.

Significant changes have been made to improve the commercial and manufacturing operations and further action would follow.

It was intended also to broadment the group's industrial base and a number of acquisition possibilities were under review.

It was intended also to broadment the group's industrial base and a number of acquisition possibilities were under review.

### Buoyant mortgage market lifts NHL to £11.1m

National Home Leans Corpora-tion, listed mortgage leader, made pro-tax profits of £11.1m in the year to September 30, up from £2.8m in the previous 16

by Hugo Dbion

in the year to September 38, up from 22.8m in the previous 16 wouths. The results were much in line with expectations and the company's share price rose 59 to 183p.

The growth in predits, in what was NHL's second year of spersition, was achieved on the back of extremely buoyant conditions in the mortgage market. During the year, the company benefited from a wide margin between its cost of funds and the mortgage rate and was able to expand the size of its mortgage book from £22m to £93m.

Net interest income was £14.8m (£4.8m). There was also strong growth in 'other operating income', which increased to £2.7m (£2.4m).

This other income consisted largely of fees for managing a growing number of mortgages for third parties. NHL is administering £174m in mortgages on behalf of Barclays Bank. It has a similar but much smaller arrangement with TEB Scotland and several other deals are being negotiated with fareless banks.

other deals are being negoti-ated with foreign banks.

NHL also receives fee in-come for administering mari-gages which it has securitised. During the year, it removed 5ths from its balence sheet is this way. Since then it has se-curitised a further 2270m. Operating expenses grew sharply over the year to f6.5m (f2.6m), as NHL geared their up to handle larger volumes of business. Economies of scale,

however, meant that operating expenses as a proportion of mean mortgage assets fell from 1.2 per cent to 8.97 per

front 1.2 per cent to 8.57 per cent.
Staff numbers have grown from 54 to 316 and new computers have been bought. Over the next two years, about 28m will be spent on a new four-acre administration centre in Solution, by which the company's operations will be transferred in 1996.
NWL said it then the two

in 1996.

NHL said it thought it now had about 3.5 per cent of Britain's new mortgage market and was generating mortgages at the rate of Eldin a month. These are being written either onto its own books, written ento its own books, written ento the books of other lenders or securifized.

The comments said that it had

securified.

The company said that it had negligible had debts and did not expect any losses from martgage frand.

Profits after tax were £7.1m (£1.7m), giving earnings pershare of 11.2p (£4p) on a fully-diluted basis. A final dividend of 3.28p (1.15p) was declared.

comment

This year NHL has had everything going its way. Building societies, which have traditionally deminated the mortgage market, have not been able to raise enough mon-ey from small investors to fi-nance being leans. As a result, their market share slid and fire their market share slid and the margin between money market rates and the mortgage rate widened - both good news far NHL. Following the crash, however, societies will be flush with small investors' funds and the whole picture reversed. NHL can still expect some profit growth, but much more than £15m next year - or 10%p per share on a fully-diluted basis - is not realistic. At 183p, the shares are fully priced.

### IN BRIEF

SANDHURST Marketing is buy-ing Manchester based Britannic Wholesale Stationers for initial £1.25m cash; further cash ex-pected to be £275,000 payable within three months. Britanpected to be 2275,000 payable within three months. Britannic's turnover was £156,000 in year ended May 31 1967.

SAVAGE, international DIV hardware group, is buying Pendock, a supplier of laminated plywood products, for an initial cash payment of £350,000. There will be further payments based on net assets on October 31 and future sales, in the latter case up to £450,000.

PLESSEY has disposed of its three peripheral systems subsidiaries in the UE, US and Canada to Distributed Logic of Anaheim, California, for \$0m (£3.5m) cash and \$1.5m (£575,000) in notes.

CPU COMPUTERS: SCOA of France has received valid acceptances for 14.58m (£9.95 per cent) ordinary CPU shares, including 9.22m (56.86 per cent) the subject of irrevocable undertakings to accept from CPU directors. The offer is now closed.

WALERE GREENWEANE is a serial part of the subject of irrevocable with the subject of irrevocable undertakings to accept from CPU directors. The offer is now closed.

The set asset value at 30th September 19 C\$3.57 The set asset value after contingent Capital Guiss Tax

European

The net seest value at 31st September 3967 DFI 8.60

# Globe Investment boosts profits 12.5% to £12.4m

Globe Investment Trust, krijaln's biggest investment trust, yesterday reported a 125 per cent increase in attributable profits for the six months to September 30. But it said it was too early to say how it had performed relative to the sector since the collapse of the stock market on October 19. Mr David Hardy, chairman,

gave no precise figures on the fall in the trust's net asset value since the crash, but he believed was down by roughly 25 per cent, compared with a drop in the FT-All Share index of about 28 per cent.
Globe had been cushioned, he

said, by its portfolio of un-quoted investments, which now account for about 12 per cent of assets, the fact that it had built up a £100m cash position in re-cent months - about 10 per cent of assets - and the fact that the Japanese market had not fallen

want to retain its strong cash alist nature has long given it a position until the economic outrather boring image, as a super-look became clearer. The tunker of the investment trust knock-on effect of America's sector, very much linked to the

problems on the UK meant that All-Share and unable to pro-Globe had cut its estimate of Britain's profits growth for 1988 from 15 per cent to 10 per cent, with dividend growth down from 12 per cent to 8 per cent. Globe has underwritten about 521m of the British Petroleum issue, on which it yesterday faced a notional loss of about

Group attributable profits for the six months totalled £12.4m, against £11m in the same period against £11m in the same period of the previous year. Earnings per share on a fully diluted basis were up 11.48 per cent at 2.33p (2.09p). The net asset value per share on September 30 totalled 236.19p basic and 232.25p fully diluted, against 196.64 and 192.02p on March 31.

The interim dividend is 1.52p.

The interim dividend is 1.52p, up 10.14 per cent on the L35p at the same time last year, which the company said reinforced its commitment to increasing divi-dends in real terms.

Globe's sheer size and gener-

ble for its smaller brethren. But what is dull in a buil market assumes the virtue of solid reli-ability when times turn hard. And Globe's investment policies have added attractions in the current climate - its heavy concentration on the relatively strong UK economy; its build up of unquoted investments, which, though potentially vola-tile, shield nav in a falling market; and its emphasis on large stakes in a limited number of quality stocks. Yesterday's in-terim figures - of limited relevance in a world which has since witnessed the great crash produced no real surprises, and the Sp rise in the share price, to 144p, reflected the general rise in the market, buying by the Coal Board pension fund and a realisation that the recent drop in Globe's share price had been greater than that in new been greater than that in nav.
The prospective yield is 4.3 and
the shares now stand on a discount to nav of about 20 per cent - still above the average for generalist trusts, but then Globe has not been subject to bid speculation.

# RHP in £12m US acquisition

HEF Group, precision engineering group, has defied the market, and has been market's current aversion to the US and bought a Minnesota-based fire-detection company for \$21m (£12m) in cash. The price was knocked down \*Sight-ly', according to Mr Archie Cox, RHP finance director, in the light of present conditions.

\*\*The content of the Cox of the difficulty of issuing shares to finance such a transmission under present circumstances.\*\*

division, Graviner in the UK and Deugra in West Germany. Inter-penetration of the three companies' markets is expected as a result of the acquisition. Det-Tronics made pre-tax profits of \$860,000 on turnover of \$17.1m, representing some 60 per cent of the US market for fire detection equipment.

Since the markets crash UK companies with substantial exposure to the US economy have been marked down by investors, and earlier this week, the TI Group pulled out of the proposed \$144m acquisition of Bundy.

Despite adverse sentiment,
Detector Electronics Corporation represented a good buy, in RHP's Fire and Protection

B&H in £2m

to Coalite

Rexco sale

Burnett & Hallsmakire Held-ings, the troubled coal mining raise f2m in cash. The proceeds will be used to reduce the size of the reglisation account estabished as part of the financial rescue package for B&H in De-cember 1985.

When the account was first set

up, it stood at £20m - money to be repaid to the banks involved be repaid to the banks involved in the financial reconstruction within two years. The terms have subsequently been renegotiated and Mr Tom Cartile, B&H's chairman, said yesterday that the company was under no obligation to apply the money to that account, but thought it com-mercially sound to do so given the amount of interest likely to

be saved. be saved.

Rezeo is a leading manufacturer and distributor of smokeless fuels and is being sold to the Cealite Group, manufacturer of the UK's best-known smokeless fuel. The business incurred a loss of \$420,000 in the year to March - but Mr Carille said that it had now reached break-even point. reak-even point.
He added that this was the He added that this was the first disposal of a performing asset. Since the rescue, sales of non-performing assets have totalled approximately £17m. The amount owed on this account was currently between £5m and £7m, reflecting the level of accumulated interest.

Control Securities reduces borrowings

Control Securities, the prope Cantrel Securities, the property investment and dealing group, has almost wiped out its 58m net borrowing with property disposals raising a total of nearly 26m. It said yesterday that its "very liquid position" would allow it to take full ad-

Control has sold Smale House in Great Suffolk Street, South wark, to Mercury Communications for £3.25m and raises £2.65m through other recent

Capital Ltd

Assets Trust

Clayton Son rises 8%

In the first half of 1967, Clayten set on the directions were sen & Ce. (Heldings) has shown under consideration, the directions as 5 per cent increase in profit, from £108,000 to £117,000.

Turnover rose hearly 20 per cent, from £3.12m to £6.13m.

Profitability in the machine dividend is again 2p - the previous total was 9p (7p) as the year's profit hit £1m £612,000). There was an extraordinary sation was necessary in con-tracting and fabrication.

Further expansion and acqui
Enther was an extraordinary credit of 283,000 (£38,000) in the half year.

Det-Tronics designs, manufactures and markets fire and gas-detection instruments for safety-control systems used in the petroleum, petro-chemical, munitions, utilities and paper and pulp industries.

its of \$860,000 on turnover of \$17.1m, representing some 60 per cent of the US market for fire detection equipment. Unaudited accounts for the

Unandited accounts for the year to the end of September 1967 suggest that the company's inrnover was \$18.2m, on which taxable profits of about \$300,000 were made. At the end of June, its net assets were \$11.8m.

In its last financial year, RHP

made pre-tax profit of £17.7m on £164m turnover, only 3 per cent of which derived from the US.

### **LONDON RECENT ISSUES**

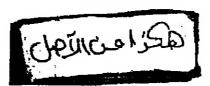
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"RIGHTS" OFFERS

Cherical Sal



Financial Times Saturday October 31 1987

### **APPOINTMENTS**

# Director of manufacturing at BP Oil

pany. He succeeds Mr Isn Baker who is returning to Australia to become director, exploration and gas, BP Australia. Mr Lazemby was works general manager, BP Chemicals, at Grange mouth.

The Royal Bank of Canado (Channel Islands).

(Channel Islands).

Board changes

at Virgin

Miss Jennifer Edwards has been appointed merchandise director of SELFRIDGES, part of the business.

SPONSORED SECURITIES

42 Scriptions 124sa - 5.5 4.4 4.9

141 Torday & Carifisle 220 +1 6.6 3.0 10.7

32 Trevies Holdings 42suss - 0.8 1.8 3.9

72 Unilock Holdings (SE) 72si +2 2.8 3.9 13.3

115 Waiter Alexander (SE) 205si +2 5.9 2.9 15.2

190 W. S. Yestes 200 - 17.4 8.7 20.0

96 West Yorks, Ind. Kosp. (USM) 154 - 5.5 3.6 16.3

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55 Record Hidgs. 10pcPf.(SE) 114
60 Robert Jenidas 50
42 Scriptors 1248
341 Tourism & Confide

264 115 Waiter Alexander (SE) 205x 201 190 W. S. Yestes 200 175 96 West Yorks, Ind. Hosp. (USM) 154

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Mr Terry Levenby has been appointed Mr Tim Beappointed director of manufacturing and supply by BP OIL, UK marketing and refining arm of the British Petroleum Company Manufacturing and refining arm of the Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal Bank of Canada (Citational Private Sanataging director of The Royal

at Virgin

TUTE. He was deputy director and succeeds Mr Teny Killick who becomes senior research fellow. Mr Adrian Hewitt becomes deputy director.

California of Pairie Queensway.

Circlin has been a non-executive director of Virgin since utive director of Virgin since of Cotober 1986, assisting the group through its flotation and first year as a public company.

He says this is not a sudden decision, he says this is not a sudden decision.

Mr Michael Cully has been appointed a director of WATKINS & ASSOCIATES. He was a senior vice president of The Bank of Montreal.

Mr N.I. Jenes becomes commercial and corporate finance director of OCEONICS GROUP from November 1 and takes of Mr over the responsibilities of Mr over the responsibilities of Mr Tay group chief accountant.

The ROYAL BANK OF CANA
Mr N.I. Jenes becomes commercial and corporate finance director at GEC Mr Oliver J. Rowell has joined the board of HEALTHCARE

S. & W. BERISFORD has appointed Mr Eric Jenes as group treasurer, Mr Alaskair Gordon as group corporate finance managers, and Mr Andrew Wilson as group chief accountant.

The ROYAL BANK OF CANA
THE ROYAL BANK OF CANA
Mr N.I. Jenes becomes commercial and corporate finance director of OCEONICS GROUP group corporate finance managers, and Mr Andrew Wilson as group corporate finance managers, and Mr Andrew Wilson as group corporate finance managers, and Mr Andrew Wilson as group corporate finance managers, and Mr Andrew Wilson as group corporate finance director of the New Year Mr Tany group chief accountant.

The ROYAL BANK OF CANA
The ROYAL BANK OF CANA-

Gross Visial

Change div.(p) % P/E

- 7.3 3.6 12.3

- 10.0 5.0 -
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Grancille Davies Coleman Limited 27 Lovez Lane, London EC3R 80T Telaphone 01-621 1212 Member of the Stock Exchange

5.4 3.2 14.6

Mr Rebert Wynn has been appointed chairman and joint managing director of WYNN ELECTRONICS. He succeeds Mr Christopher Thempson, who becomes a non-executive director.

KANGOL, Cleator, Cumbria, has appointed Mr Reg Deaby and Mr becomes a non-executive director.

S. & W. BERISFORD has ap-

Mr Simen P. Brecke has been appointed a director of BAKER HARRIS SAUNDERS, with responsibility for property management. He was a director of JI.W Estate Management Services.

MARSHALL & CO (BROKERS), part of the Lombard, Odier & Cie group, Geneva, has promoted Mr Duncan Duckett, management Services.

MARSHALL & CO (BROKERS), part of the Lombard, Odier & Cie group, Geneva, has promoted Mr Duncan Duckett, managing director, to deputy chairman; Mr Christopher Phillips, dead of corporate finance, to chief executive incorporating Wr Derek Ford has been appointed deputy chairman of of WRCS Group, has been appointed a non-executive director of the VIRGIN GROUP, His appointment concides with the PSA, has joined LYNTON Robert Leutchford, a director, appointed director of the OVER-pointed director of the OV

M & G finance

### **ECONOMIC DIARY**

TOMORROW: Confederation of ties for September from Depart British Industry's annual conference opens, Glasgow (until November 3). Sir Geoffrey Howe, Foreign Secretary, visits for bankers and merchants of the City, Mansion House. Chandon-to-Brighton veteran car run.

nuclear planning group meets, Monterey, California. West Ger-man unemployment figures.

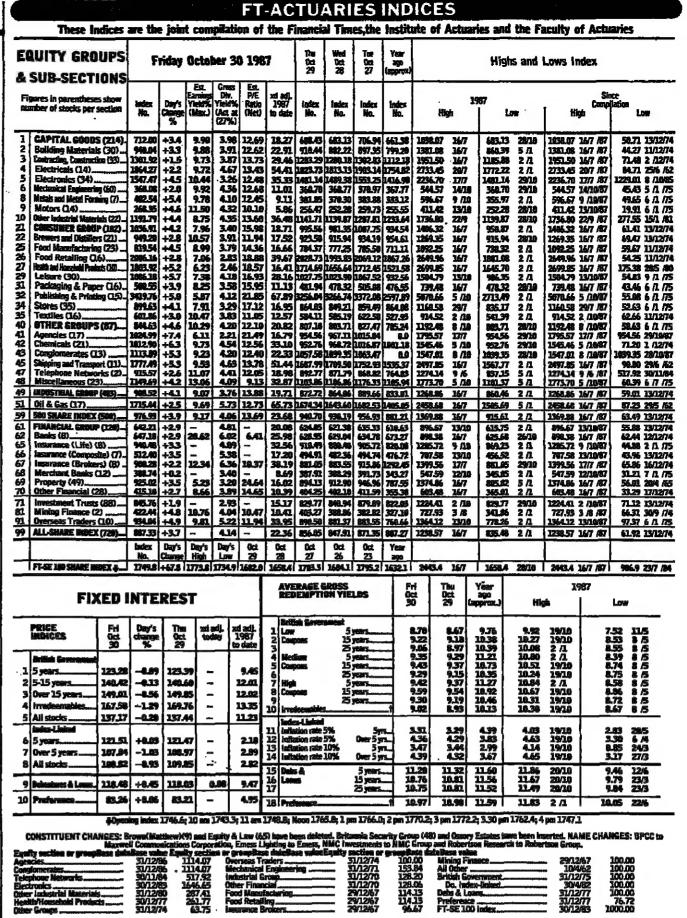
Foundation of Air Passengers' Association publishes annual survey. Department of Transport statement on fuel consumption. Presentation of economic outlook by five leading West German research institutes, Bonn.

TUESDAY: Mr Nigel Lawson, Chancellor of the Exchequer, presents autumn statement on the economy in the Commons. Treasury publishes October figures of UK official reserves. Figures for housing starts and completions for September from Department of the Environment. Bank of England statistics for capital issues and redemptions in October. NATO nuclear planning group meets, Monterey California, West Ger.

man unemployment figures.

WEDNEEDAY: Department of bankers by International Finance Corporation, Zurich.

Employment publishes August figures for overseas travel and tourism, Advance energy statis-





# A MESSAGE FOR ALL INDEPENDENT FINANCIAL ADVISERS

Even before the Financial Services Act takes hold; you know that life next year will be tough.

For a start, you will face big competition from the "tied" company salesforces. They won't have to pay for their cars, computer systems, secretaries, sales packs and portable telephones.

the commission ceilings imposed by Lautro and the financial demands of Firmbra. You will find yourself dealing with a host of totally new rules - as well as the VAT man. And you will have to remain cheerful, as you give "best advice."

You will. And you will be caught between

That's why we created Financial Adviser. To help you sort out the wood from the products for your clients. To give you the most detailed statistics available. And to keep you up-to-date with the everchanging rulebooks.

Now we're doing more. As an incentive to encourage independent advisers to increase their marketing skills, we have joined forces with the Unit Trust Association to launch the Financial Adviser-Unit Trust Association Marketing Awards.

The prize is a pair of tickets on British Airways Concorde to New York.Three nights' accommodation. One pair of tickets will go to the small firm of advisers or brokers who our team of judges believe to be most effective at marketing financial services. The second pair of tickets will go

BRITISH AIRWAYS	to a branch of a non-polarised institution.  ONCORDE
Our judges are: Bill Stuttaford, Chairman of the Unit Trust Association (Chairman of the panel) Vincent Duggleby, Head of BBC Radio 4 Financial Unit Alan Fletcher, Director of Pentagram Design John Hackett, Director-General of the British Insurance Brokers Association (BISA) Robert McCrindle MP, Conservative Member of Parliament for Brentwood & Ongar, also Political Consultant to BISA Janet Walford, Editor of Money Management Colin Chapman, Publisher and Editor, Financial Adviser For more details of how you can enter, fill in the form.	CNCORDE  Transfer of a non-polarised institution.  ONCORDE  Transfer of the state o



FINANCIAL TIMES CONFERENCES

# World Telecommunications

1 & 2 December, 1987 Hotel Inter-Continental, London

### Key Issues to be discussed:

- Competition and liberalisation in telecommunications; the changing pattern of competition in global markets
- Telecommunications policy reform and international trade Opportunities and challenges for the European equipment industry
- Value Added Networks What is driving the market? What are the lessons?

### Speakers taking part include:

The Rt Hon Lord Young of Graffham Secretary of State for Trade and Industry

Mr James E Olson Chairman of the Board

Mr William L Weiss Chairman & Chief Executive Officer Ameritech

British Telecommunications plc

Mr lain DT Vallance

Prof Dr Eberhard Witte Universität München institut für Organisation

Mr Geza Feketekuty Counsellor, Office of the United States Trade Representative

104/62 31/12/75 30/4/82 31/12/77 31/12/77 30/12/83

Sir Eric Sharp, CBE Chairman & Chief Executive Cable & Wireless plc

Dott. Salvatore Randi General Manager Società Finanziaria Telefonica pa

Mr Karl-Heinz Narjes Vice President, Commission of the European Communities

Dr Hans Baur **Executive Vice President** Siemens AG

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A FINANCIAL TIMES INTERNATIONAL CONFERENCE Telecom Markets (Fin Tech 1)

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THIT ESSUES

### **INTL. COMPANIES & FINANCE**

# Indesit may be sold to Italian group for L50bn

Merioni, which manufactures

INDESIT, the troubled Italian home appliance company that 15.6bn net profit on 1986 sales has been under court-appointed of L585bn and claims 16 per receivership for nearly two cent of the Italian appliance years, is expected to be acquired by Merioni Elettrodo-market, less than half its sales quired by Merioni Elettrodo-mestici, the white goods maker desit, meanwhile, despite its that is 75 per cent owned by the heavy losses in recent years, defamily of Mr Vittorio Merioni, sales of L170bn from outside of Italy, half of those exports from the UE.

Merloni, which manufactures appliances under the Ariston brand name, is to pay around the industry minister, is expected to see a total capital injection of Lisobn at Indesit. One the industry minister, is expected to see a total capital injection of Lisobn at Indesit injection of this is the purchase third of this is the purchase price, another third is destined of its shares. The company's market capitalisation is around automation and the last third is

to be used for working capital and to repay Indesit's debt. Merioni last year produced 1.8m units, while Indesit manufactured 702,000 washing machines, refrigerators, cookers and other appliances. It is understood that Merloul executives and Indesit trade

union representatives have al-ready met and discussed working together on the revival of in-desit's fortunes. At present some 4,000 of Indesit's 5,800

# Nissan stages rally in first half

BY OUR TOKYO STAFF

The company dropped into the red at the operating profit lavel last year for the first time contracted, however, to Y22.2bn in its history. This was largely the result of the effects of the high yen on its export margina. Since that time, Nissan has shed about 10 per cent of its workforce, squeezed its suppli-ers for lower prices and boosted

NISSAN, Japan's second largest car maker, staged a marked recovery in pre-tax profits for the six months to September thanks to stringent cost-cutting measures and increased profits in the domestic market.

The company dropped into the red at the operating profit level last year for the first time to prove the process of the company are profits to push pre-tax profits up ting programme had alliced about Y150bm from its fixed to Y70.4bn (\$507.4m). Sales were costs. This exercise was aided by cheaper prices for imports, such as plastic reains.

The company dropped into the red at the operating profit level last year for the first time contracted, however, to Y22.2bn about 107,000 units. Sales of commercial vehicles in the do-

contracted, however, to Y22.2bn about 107,000 units. Sales of the shistory. This was largely from Y26.4hn, or Y10.03 a share against Y12.05. The interim divergen on its export margina, idend is being kept at Y7 a share. The company said that the improvement in the home market was in large part due to its success with its more expensive action of these and other models. A Nissan executive action of these and other models. A Nissan executive action of these and other models. A Nissan executive action on the company was a share and other market.

The company said that the improvement in the home market was in large part due to its success with its more expensive models. A Nissan executive action of the second of the second

# Philips shows modest advance

products and electrical compo-nents climbed in most geographical areas except Europe. Philips confidently predicted that net income would rise this year and that sales volume
would expand by about 6 per
cent despite the recent turmoil
production subsidiary, Poly-

PHILIPS, the Dutch electronics group, lifted profits modestly despite lower sales in the third quarter and confirmed that it still expects earnings for all of 1387 to show an increase.

Net income rose 6 per cent to F1 124m (\$69.1m) in the July-september period from F1 127m a year earlier as financial expenses dropped sharply due to reduced currency losses. Turnover slipped 1 per cent to F1 126m in the quarter.

Sales of consumer electronics in world stock markets and any resulting and any resulting curbs on spending and investment. The fourth quarter is traditionally Philips's strongest traditionally Philips's

Taking into account a number of planned financial transactions the trend in (net) income gives us no cause to revise the first transactions of the last transactions.

For the first nine months profits rose 16 per cent to F1 554m from F1 479m in spite of a decline in turnover thanks to lower production costs. Operating income was first at 15. ing income was flat at Fl 2.1bn. Revenue declined 6 per cent to Fl 36.7bn in the January-Sep-

# Good third quarter for Aetna

AETNA Life and Casualty, the largest stockholder-owned insurer in the US, has reported a further sharp increase in third-quarter profits. Growth in casuatty-property earnings offset a downturn in group insurance.

Net operating profits for the three months ended September

\$2.7m and a tax benefit of earlier. Premium and investment income grew to \$12.43bn and \$4.01bn from \$10.96bn and \$3.87bn.

Aetna said it had bought 880, 000 of its shares, about 0.75 per cent of the total, at an average profits from property-casualty insurance in 1.2m. or \$2.01 a share from \$198.9m or \$1.72 a year ear-lier. Premium and investment income rose to \$4.43bn and \$1.34bn from \$3.72bn and \$1.30bn a year earlier. In the latest quarter, capital gains of

Net operating profits from property-casualty insurance in the latest quarter were ERRAM

on group insurance slipped to \$12.2m from \$16.2m

For the nine months, operating net was \$639.1m or \$5.50

against \$498.3m or \$4.20 a year

It added that recent events in equity markets had had "minimal impact" on its shareholders' equity. Stocks accounted for less than 10 per cent of its surplus and were covered by a hedging programme.

### **CFP** forecasts return to profitability

By Peul Betts in Paris CFP, the French Total oil group, expects to report consolidated net earnings of about FFr2.5bn (\$431m) this year, compared with a net loss of FFr1.25bn last year.

The company will appropries The company will announce first-half results next week. These are forecast to show a net

profit of about FFri.2bn, com-pared with a net loss of FFri.8bn. CFP's results for the whole of 1987 will include special gains of about FFrL2bn from the sale of Italian refining and petrol re-

The group, which suffered a FFr7.5bn oll stock accounting loss last year, expects to report an oil stock accounting gain of an oil stock accounting gain of about FF.850m this year.

Cash flow is predicted to increase to around FF.7.5bm from FF.4.1bm last year. Cash flow from upstream operations will decline to about FF.4.9bm but downstream operations are expected to show a positive cash flow of about FF.1.4bm against a negative FF.1.27bm.

### Clore seeks buyers for his stake in KaiserTech

MR ALAN CLORE, the British industrialist, revealed that he is seeking buyers for his controlling stake in KaiserTech, the California aluminium and industrial chemicals group, in a filing with the US Securities and Exchange Commission on Thursday.

In an earlier filing, Mr Clore, the 43-year-old son of the late Sir Charles Clore, said that he was "in default under various borrowing arrangements" used to acquire KaiserTech stock which has failen from around \$17 a share when Mr Clore's stake in the company to 15 for eacquired them this spring roal to a low of \$374. Issue week. On Friday, KaiserTech's stock price rebounded to \$374.

Mr Clore, who bought a 38 per cent stake in KaiserTech to win control of the company will lose his rights to nominate board members if his position fails below 15 per cent by December 15, which is monthed to sell an unspecification of his remaining shares.

Mr Clore's financial problems first surfaced a week ago when the sell surfaced a sell surfaced a sell surfaced a sell surfaced a se

cent stake in KaiserTech to win control of the company will lose his rights to nominate board members if his position falls below 15 per cent by December 15, according to the latest SEC filling to the

SINGAPORE AIRLINES (SIA),

sale of investme \$34.9m from \$\$1m.

# ing. stake in Rorer, a US pnarma- gam, but some The filing also reveals that ceuticals group and his latest for the next few more European lenders, including takeover target, for about \$45m. good. MHI recovers sharply but KHI in deficit

MITSUBISHI Heavy Industries (MHI), Japan's largest heavy engineering group, yesterday posted a 390 per cent recovery in interim pre-tax profits, thanks mainly to increased defence equipment and shipbuilding sales of F-15 fighter-bombers and M74 tanks to the Japanese and M74 tanks to the Japanese combine which is the throes of large-scale ration? Is at MHI for the six months to September were months to September were months and M74 tanks to the Japanese a

# COMMODITIES AND AGRICULTURE

NEW YORK

Toshiba		Latest	L		1 196	17
		prices per tonne uniess	Cit, tide	Year	High	Low
Machine		stated	-	-	<del>                                     </del>	1
drops into	METALS Algorithm	\$1785/815	115	\$1279/200	\$2050/200	F1200/12
-	Free Market 99.6%	\$3290/2540 £1176.5	+40 -41	\$2550/668 £932,5	22400/240 21185:5	\$2 (60/22 2870.30
the red	3 months Grade A	£1089 \$467,96 £338,5	-89.5 -4.75 -14.5	£956.75 \$411 £815.5	£1158,96 \$476,76 £446	2849.8 8590.91
By Curia Repopert in Tokyo	3 months	£532,6	-16	£813.75	2417.5	2290,70
TOSHIBA MACHINE, a ma-	Palladium	\$117.75 \$515,76	+5 -10	\$127.50	\$161,00 \$646,50	\$117,18
chine tool subsidiary of Japan's Toshiba electronics group,	Pletinium per of	\$290/300		\$150/170	\$310/395 668,60p 668,20p	
propped into the red for the aix	3 months per cz.	401,40p 410,85p	-54,45			1
result of its violation of Cocom- regulations on exports to the	Free market	#488/865 \$51,16 \$38/60	-140	24150/180 851.25 834/44	24,819/84 858,19 250/55	23,969/2 341,44 858/42
Soviet Union. Following the discourse of the	3 months	£446 8452,5 8820	-18,5 -16,76	i 2619	2550.5 \$870	\$447 \$448 \$770/78
violation earlier this year, the	Producare	\$620	-	4020	1010	D1 10/16
he company from further ex-	Barley Futures Jan	2106,80			£118,58	
As a result its experts to com-	WHEAT FUTURE Jan,	£133.00t			£165,50 £125,50	,
(200m (\$1.4m) from Y2bn in the ame period of last year.	SPICES Cloves	\$3500	-125	\$4100 \$6100	\$3,800	\$3,200
The company reported a loss it the pre-tax level of Y35m.	Pepper white	\$6350 \$4800	+25	\$6100 \$4600	\$3,800 \$6,400 \$4,900	\$3,900 \$4,900 4,900
ompared with profits of	Paim Majayan	\$470± \$380	=	\$407.5 \$510	\$590 \$590	8390 8985
ad suffered in more than 10 ears.	SEEDS Copra (Philippines)	\$166	=	#295 \$161	5825 \$162.5	8990 \$133,5
Sales were down 17.7 per cent Y44.7bn. The company has	Cocos Futures Mar.	£1165,6 £1278,5	60 0	£1549 £2362,5	£1,439,5 £1665,5	£1,187 £1,310,0
scided to pass its interim divi- end and will probably omit its	Gotton Outlook A Index	78,05s \$169,25	-1,26 (	50,100 \$123,75 \$230	87.700 \$175.85 \$435	21,310,6 69,65 \$125,5 \$280
ayout for the full year as well. Toshiba, which owns 50 per	Rubbar kilo	\$414 62,5p \$515	-1.5		71.5p \$615	60p \$610
ent of Toshiba Machine, came nder extreme pressure earlier his year over the incident. The	Sugar (Raw) Tea (quality) kilo (low med) kilo Wooltoos 64s Super	2187.4z 175p 86p 515p kilo	-8.	196p	11116	8139,5 140p 60p
olation, which involved the						
quipment to the Soviet Union, scame the symbol of US anger	‡ Unquated. (x) Nov.	(y) 1/4C.	(1) 00	Auda (s)	- HIGN/1980	
ver its huge trade imbalance ith Japan.	ALUMINIUM Official closing (sm): Cash	l	IND	ICES		
There are a second	1 AMERICAN CIONNING CAMPS CARD	I CIGORIA E				

WEEKLY PRICE CHANGES

ALUMINIUM Official closing (am): Cash 1765-815 (1690-1710), three months 1705-25 (1630-40), settlement 1815 (1710). Final Kerb close: Unquoted. Ring turnover; 2,100 tunnes. \$ per tome Official closing (sm): Cash 1053-6 366-9), three months 391.5-2 (830-1), exciement 1056 (569). Finel Karl lose: 952-3. Ring turnover: 12,539

with profits of Y783m a year earlier, will be feeling the ef-fects of the incident for some time to come. Nortel forms joint venture in Europe

over its finge trace manufactured with Japan.

Even so, the controvery did not significantly damage Toshiba's sales in the US and the parameters are all to regard

bars sales in the Us and the parent company was able to sustain a marked recovery in profits during the period.

Toshiba Machine, however, with after-tax losses of Y185m in the six months, compared with modify of Y782m a year

NORTHERN TELECOM (Nor NORTHERN TELECOM (Nortel), the Canadian telecommunications group, has moved to raise its European profile by forming a joint venture with Banque Worms and a Parisbased venture capital company to manufacture and distribute its SL-1 line of private branch exchanges in France.

The amouncement follows the group's purchase this month

The announcement follows the group's purchase this month of a 28 per cent stake in STC, the British electronics group. Nortel subsequently agreed to cut its holding to 24 per cent and not to buy more STC shares.

The company intends to invest about US\$50m for a controlling interest in the new concern, with Banque Worms and the venture capital firm, Compaguie Generale d'Industrie et de Participation taking minority stakes. Nortel estimates that the new venture will employ

ty stakes. Nortel estimates that the new venture will employ some 300 people.
"One of the things we have to do as a company is to expand our market base beyond North America to areas where growth will be more dramatic in the near-to mid-sterm" an official near- to mid-term," an official said. In the past, Nortel has adopted a direct selling ap-proach to supplying the French

It has chosen to enter many It has chosen to enter many other European countries through licence agreements. For example, its private exchanges are made under licence in Sweden, Italy and the UK by General Electric Company. This relationship stands to be reviewed in the light of the company's new partnership with STC and the previously-announced GEC-Plessey joint venture.

### Improvement in traffic volume boosts SIA

By Our Financial Staff

SMA9m from S\$1m.

The company said traffic in the second half is traditionally less buoyant than in the first half, but added that bookings

ZINC Officiel clusing (4m): Cash 449.5-9.5 (444.5-4.75): three months 423-4 (467-2): astement 448.5 (444.75). Final Kerb closs: 454-5. Ring tunover 7,200 tonnss. US Prime Western: 43-43.75 cents per lb. Cash 446-7 +3 450/448 8 months 459-3 +8 486/468 LONDON METAL IDIOHANGE Alumin-lum 99,7% 89.5% Jum Copper (Grade A) 1,860 — 781<sub>6</sub> 148 1,900 881<sub>8</sub> 1821<sub>6</sub> 181<sub>4</sub> 1701<sub>2</sub> 1,950 69 55 — —

KUALA LUMPUR TIN MARKET: Close 17.31 (17.30) ringgit per kg. Up 0.93 ringgit per kg.

Out. 29 Oct. 28 Mith ago Year ago DOW JONES Jones 28 27 ago 800 Spot 126,23 126,08 — 120,67 Fut 128,23 127,56, — 119,56 SILVER

REUTERS

1048-50 +51.5 -976-7 +25 995/975 Official closing (am): Cash 1790-2 (1140-2), three months 1998-9 (1067-8), settlement 1992 (1141). Final Karb

troy oz

1175-8 +30.6 1186/1180 1088-96 +21 1098/1082 Official closing (em): Cash 1130-00 (1100-10), these months 1000-00 (1045-50), sattlement 1140 (1110). US Producer periose 85-91 cents per ib. Total ring turnovers 81,175 tonnas.

COPPER

LEAD

NICKEL

Official closing (am): Ceah 3375-80 (3310-20): three months 3390-5 (3277-80): astriement 3380 (3320). Finel Kerb close: 315-20. Ring turnover 708 High/Low Cash 3350-60 |+15 3380 3 months 3330-5 |+14,5 3370/5318

GOLD GOLD BULLION (fine ounce) Oct, 30

COFFEE

Sales: 7.296 (4.536) lots of 5 tonnés. ICO indicator prices (US cents per pound) for October 20: Comp daily 1879 111.90 (111.93); 15-day average 111.92 (111.94).

GRAINS

Old crop wheat firmed with shipper

| Mov. ... | 108.50 | +0.50 | 108.85 | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | | +0.55 | +0.55 | | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | +0.55 | LONDON GRAINS—Wheat: US dark northern spring No. 2 14 per cent Nov 22.00, Dec 82.50. US No. 2 soft red winter Nov 89.50, Dec 91.25, French 117-12 per cent Cot/Nov 136.50 soliers. English feed for Nov 109.50/110.25. Dec 110.50/111.25, Jan-March 114.00/114.50, April/June 117.00/118.00 boyer/sellers. Makes: US No. 3 yellow/French transhipment east coast Oot/Nov 133.00 sellers. Barley: English feed Nov 108.50, Dec 110.00, Jan/March 113.50 sellers.

resd Nov 108.50, Dec 110.00, Jan/March 113.50 sellers.

Business dons—Wheet: Nov 108.50-8.10. Jen 111.70-1.00. March 113.76-3.25, May 118.20-8.70, July 118.30-8.20, Sept 102.00, Nov 104.00-3.80. Seles: 272 lots of 100 tonness. Barley: Nov 105.20-4.75, Jen 106.80-8.00, March 105.85, May untraded, Sept 86.50, Nov 107.00. Seles: 79 lots of 100 tonnes. HGCA — Locational sx-farm apot prices. Feed barley: E. Midg 104.70, N. East 106.20, Scotland 107.50. The UK monetary coefficient for the week beginning Monday, November 9 (based on MGCA calculations using three days' axchange rates) is expected to remain unchanged. COCOA

Fixtures opened a little easier and held the values until the late afternoon when prions fell £15 to record new life-of-contract lows. Although produced were still withdrawn consumers appeared as scale-down buyers for both process heave and structures, respectively.

e per tonne

RUBBER PHYSICALS—Closing prices (buyers); Spot 62.50p (sems); Dec \$5.50g (sams); Jan 68.00p (sems). The

CHICAGO LIVE CATTLE 40,000 lbs; Conts/fbs 10W 62.70 90.75 77.80 76.80 76.00 LIVE HOGS 35,000 the, cents/th Prev 161.0 186.0 191:0 195.2 199.0 190.6 197.4 PORK SELLIES 39,000 lbs; cen High 56.30 56.05 57.30 57.05 Close Prev 488.3 486.3 477.2 486.7 477.2 486.7 476.5 480.5 480.5 480.5 480.5 802.2 486.5 802.5 803.5 802.8 803.8 8 SCYABEAN MEAL 100 tons; \$/ton SQYABEAN OIL, 80,000 Ib ;cu Kuala Lumpur (ob prices (Malay/Singa-pore cants per kg) were: RSS No 1 263.5 (264.0); SMR 20 254.5 (same). Latest + or -

SOYABEAN MEAL MA 151.6

**GAS OIL FUTURES** 

1171.7

Turnover: 167 (142)

W.T.L (1pm edt). Premium gasoline.... 185-188 | 167-188 | 167-188 | 97-98 | 161-165 |

**POTATOES** During a quiet day the market was locked in a similar range to Thursday afternoon. Selens emerged at 2145,00 and persistent buying interest was seen below £145,00, basis April. Treders were watching the weather and are swetting an update on the lifting figures dus on Monday, raports Coley and Herper.

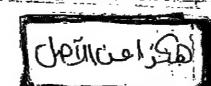
FREIGHT FUTURES 1159 1240 12640 12645 12645 1265 1465 1166 1166 1165 1166 1165 1166 1165 1165 1165 1165 1165 1165 1165 1165 1250 1250 1250 1250

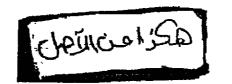
PARIS-(FFr per tonne): Dec 1127/ 1144, Mer 1178/1183, Mey 1198/1208 Aug 1226/1240, Oct 1245/1288, Dec 1250/1283.

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# WORLD MARKETS

NEW YORK	to C\$61%, Gulf Canada Re- The Hang Seng index finished "It is still unclear how much sources moved up C\$1% to C\$18 35.61 points, or less than two per Wall Street's swift fall will affect
115   115	and Shell Canada advanced CS1 cent above Thursday's close at the world economy," said one to C\$35. Texaco Canada, which reported a 25 per cent increase in third quarter earnings from the vear earlier, advanced C\$4 to alte bareain hunting, mainly from plation of its own economy to
AGS Computers   138   424   138   13	Tally sees    Santall investors, early in the day import more from the U.S., so but institutions were selling into stocks related to domestic demand expansion were good bets.
Active Cleveland   25,   4-5   Christia 525   Chris	Share prices ended a busy bourse sharply higher and near the best levels of the session, with the most levels of the session, with the session
Alexa Alexanders   25th   4th   Come Selfson   Cit   4th   State Corpus   15th   4th   4	vestors grew more confident that on to the market amid a higher the Federal Reserve would maintain an accommodative monetary world bourses.  HK\$17.70 and China Gas 10 to little effect. Major Japanese secutives for dollar and sharp gains on other tain an accommodative monetary world bourses.
All American Cost Tol	policy and prod economic growth despite continued weakness in the dollar. Volume remained strong in the shortened session. The Dow Jones industrial aver- the policy and prod economic growth Limited demand emerged from foreign investors.  Limited demand emerged from the despite continued weakness in the dollar. Volume remained strong in the shortened session. The Dow Jones industrial aver- the process also a technical reaction to the process also also also also also also also al
Alter Golden (15) Alter Alter Special (15) Alter Manueloles (15) Anne Ma	The Dow Jones industrial average, which had jumped almost so Car maker Daimler surged foreign institutions were still caused in the first 30 minutes of DMS5 or 7.3 per cent to DM813, trading, stood at 2005, up 67 points. The rally spread to see-  The Dow Jones industrial average, which had jumped almost 86 Car maker Daimler surged foreign institutions were still caused foreign institutions were still caus
Am had Group	ond and third tier stocks with advances leading declines almost jumped DM103 or 9.5 per cent to DM275. Insurer Allianz and the current political tension facturing and trucking shares over Malaysia.  Newly-listed DBS Land, the shipping fisheries and insurance most active stock on a turnover shipping fisheries and insurance most active stock on a turnover shipping fisheries.
Am Standard 335	DM8.50 to DM270 and Com- higher at S\$1.17. Consolidated merzbank rose DM14.50 to Plantations gained 10 cents to AUSTRALIA
American   180	Toronto stocks rose sharply at DM271.80, Bayer added midday as major share groups Hoechst gained DM14.70 to DM264.  Share prices rosed higher with the DM264.
AMERICAN WAL 1775   476   100 CANDERS 1676   1 476   1 70	The state of the s
Area Fred 254 + 15	shares.  shares.  Among most actives, Laidlaw gains during the bourse session.  Among most actives, Laidlaw gains during the bourse session.  Class B rose C\$1% to C\$16%,  MacMillan Bloedel climbed leading shares, calculated during Thursday the index lost \$43,64 pull back.
) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Enthert 175 September 275 Sept	C\$1½ to C\$20½ and Noranda formance will continue to be in- \$466.25 an ounce in New York, advanced C\$1 to C\$21½. Share prices closed higher, re- fluenced by Wall Street. Brokers and further falls here to \$464.90/ In blue chips, Seagram rose bounding from Thursday's losses.
State of America St. L. Esses 40.4 44 Konft Str. 475 +4 Perits State 200 -4 Tol Confession 200	C\$4 to C\$76 and Bell Canada but selling pressure pushed the looked stable, it was difficult to fall sharply.  Enterprises advanced C\$1 to Hang Seng index well below its predict any clear near-term direction for Tokyo's market.  C\$36%. Oil class A climbed C\$2 highs for the day.  C\$ANADA  CANADA
Control   Cont	October 29
Particle   1985   198	Alberta Entry   1374   45   Can Tire A   1315   45   Alberta Entry   1374   45   Can Tire A   1315   45   Alberta Entry   1374   45   Can Tire A   1315   45   Alberta Entry   1374   45   Can Tire A   1375   45   Alberta Entry   1374   45   Alberta Entr
Fed Days Stores   150	Second Process   125
Printer 6 Garden 85% +6% 15% Treet 25% +6% 15% +6% +6% +6% +6% +6% +6% +6% +6% +6% +6	Design
State Armys 25 See State 25 See	Police 10 Price 1 Pric
EFFOR Comp. 1000 1 of 1 Married 1000 1 of 1	Intermellar
CTE Co	Part
Chi   Industries   10   10   10   10   10   10   10   1	But   Section
CRI Industries	Bellier B
Case   Part	Control   2,990   440   126   440   126   440   126   440   126   440   126
Curroller Power   335	Pas Hallings
Central A.S.M.   3176   175	Bugaric Redge   4,900   400   500
Circles   1952	Complete State   Comp
Indices	Balica Hidgs
NEW YORK DOW JONES	La Stancered   1.052   Holf-Recke (PCtcs)   100,500   750   Holf-Recke (PCtcs)   100,500   100,500   Holf-Recke (PCtcs)   100,500   100,500   Holf-Recke (PCtcs)   100,500   Holf-Recke (PCtcs)   100,500   100,500   Holf-Recke (PCtcs)
Bissiber   Delober   October   Conder   1987   Slace complication   AUSTRALIA     29   28   27   25   1896   Low   1990   Low   All Ordinaries CL/L/800   1292.1   1292.1   1294.8   1399.2   1319.3   2305.9 (21/9)   1294.8 (2	FINLAND
Transport 725.50 465.59 6691.9 674.92 1301.16 12.22 Ceath Asises (301.284)	September 20
Objection SE CVI.AS3	Part
Composite   244.77   233.28   223.19   227.87   234.50   256.77   234.50   256.77   234.50   256.77   234.50   256.77   234.50   256.77   234.50   256.77   234.50   256.77   234.50   256.77   234.50   256.77   234.50	M200   Richeler 98   Price   + or   AMR0   - 2.70   +2.2   - 2.4     - 2.0   - 2.4     - 2.5   - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5   - 2.5   - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5   - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5   - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5   - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5     - 2.5   -
Amer Mid. where	97.00 Accor   300 +10   505   500 +10   505   50
Down Industrial Div. Yield	Cancer
TRADIONIC ACTIVITY 1 Volume 0cf. 29 Oct. 28 Oct. 27 AMP-CBS (adopted COSTO) 190.0 179.0 179.8 186.9 250.2 (13.00 179.0 CF Oct. 29 Oct. 27 NOWAY 186.9	Carlotte
Sec. 27   Oct. 28   Oct. 27   Sec. 27   Sec. 27   Oct. 28   Oct. 27   Sec. 27   Oct. 28   Oct. Oct.	Description   Process
CANADA TORONTO  Oct. Oct. Oct. Oct. 1967  SPANI SECONZES 2246 212 5 294.06 261.85 325,44 (6/10) 202.89 (6/10) 202.89 (7/10) 202.	Matrix S.A.   2,051
Historia & Mineralis - 2190.2 2004.1 2012.2 2004.5 402.9 0340 2004	1983   1985
NEW YORK ACTIVE STOCKS    M.S. Capital ind. (1/1/10)	1964-000 1421   1646-01 (3010) LAG (2000)
Union Carbida - 196 4 5 American Express - 2195,500 256 4 76 American Express - 2195,	to. (c) Thompson 6CSF7 BN2 +22 Orsis Borregard 400.00 +20 Magnet Michies 3.70 -0.05 Mippon Kafan 345 +11 separations 40 Confines Water State 1 State 1 State 1 State 1 State 1 State 1 State 2 State 2 State 2 State 2 State 3

### FOREIGN EXCHANGES

## Dollar steady in nervous trade

**CURRENCIES AND MONEY** 

THE DOLLAR was relatively stahle yesterday, in nervous foreign
exchange trading Dealers were
concerned about the various
statements make by economic
leaders this week, and believed
there was a strong undercurrent
of disagreement among the
members of the Group of Seven.

Japan's trade surplus in September widened to \$3.85bn from
\$6,21bn in August, increasing
fears that the US trade deficit for
September, expected on November 12, will be disappointing.
The dollar closed unchanged at
DMI.7230, and rose to FF75.8725
from FF75.8250 and to \$138.35
from \$133.15, but eased to
SF71.4285 from \$71.838.

On Bank of England figures
the dollar's index rose to \$8.5
from \$8.3.

The DMark maintained a
strong upward trend. The dollar
of the change against the dollar in 1887 is
strong upward trend. The dollar
DMI.7260 on Thursday, but down from the
little changed at
the week at
the highest level against the dollar was fixed
at DMI.7383 in Frankfurt, compared with DMI.7360 on Thursday.
In Paris the D-Mark rose to a
leaders the Lose at \$1.7216
to \$1.7225. The pound also rose to
DM2.9750 from DM2.9725; to
FF10.1125 from FF10.0225; and
to \$238.25 from \$237.75, but
eased to \$F72.4625 from
SF12.4675.

September, expected on November 12, will be disappointing.

The dollar closed unchanged at
1.8122. Exchange

The yen when the dollar was fixed
at DMI.7360 on Thursday.

In Paris the D-Mark rose to a
life points to close at \$1.7216
the highest level against the dollar
in Paris the D-Mark rose to a
leaders this to Close at \$1.7216
to Cl

STERLING INDEX

**CURRENCY RATES** 

CURRENCY MOVEMENTS

OTHER CURRENCIES

Prentos: Close

0ct.30

DOLLAR SPOT- FORWARD ABAINST THE BOLLAN

**EURO-CURRENCY INTEREST RATES** 

rices slipped off their best lev ment over the BP issue the excitement over the BP issue faded away.

Trading in British Petrelenn, which began at 2,30pm, dominated equity business. Outside the BP trading area, the market was still inclined to caution ahead of Mosday, when the market faces a difficalt Settlement Day as trading firms pay for shares sold in the dramatic slide in the market or. POUND SPOT- FORWARD AGAINST THE POUND

> ute arrangements announced by Mr Nigel Lawson, the UK Chancellor of the Exchequer. The final closing Nigel Lawson, the UK Chancellor of the Exchequer. The final closing price of 85p for the new BP partiy-paid shares was comfortably above the 70p safety-net price at which the Bank of England will buy stock-but nor was it any consolation to the major UK and foreign houses which underwrote the issue at 330p.
>
> UK private investors were heavy UK private investors were heavy buyers of the issue, and the under-writers were able to sell a part of their allocation in the marketplace.

which in Southern sugants a nav-night 250.

There was a downtum in gold shares as investors recovered some of their faith in industrial equities.

機 强 光

STATE STATE STATE

# BP issue dominates firm equity market

1											
Account Dealing Dates Option		1	INAN	CIAL	TIME	S ST	DCK I	NDICE	S		
First Declara- Last Account Dealings tions Dealings Day		Oct.	Det	94	Bet.	ae.	Year	19	67	Since Co	mpitation
Sept 28 Oct 8 Oct 9 Oct 19 Oct 12 Oct 22 Oct 23 Nov 2		30	29	29	27	25	<b>ago</b>	High	Low	High	Low
Oct 26 Nov 5 Nov 6 Nov 16	Covernment Secs	89,87	90.14	90.14	88.92	89.68	82.60	93.32 (8/5)	83.73 (19710)	127.4	49.18 (3/1/5)
A SUCCESSFUL start to dealings	Fixed Interest	93.76	93.68	93.69	93.19	93.42	88.87	99.12 (15%)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/5)
in the £7.2bn flotation of British Petroleum shares provided the fea-	Ordinary V	1960.9	1303.4	1268.5	1322.0	1907.1	1285.4	1,926.2	1,288.5	1,926.2	49,4
ture of mother successful recovery in the UK equity market yesterday.	Gold Mines ,	312.1	309.9	323.8	330,2	550.5	277.2	497.5 (4/8)	288.2 (19/2)	734.7	49.5 (26/10/71)
The revival of confidence in none.	Ord. Dir. Yield	4.55	4.76	4.80	4.66	4.67	4.38		S.E. A	TIVITY	
pects for the equity sector was can	Earnings YId.%(Ref)	11.30	11.83	11.93	11.57	11.50	10.12	ia	dices	Oct. 29	Oct. 28.
ried a stage further, helped by the	P/E Ratio (net) (*)	20.82	10.34	10.26	10.57	10.66	12.11	Gift Edged	Bargalos	342.9	152.6
strength of the Wall Street market and by firmness in the dollar in the	SEAQ Bargains (5 pm)	59,138	37,681	45,378	57,523	57,989	-	Equity Baze Equity Valu		310.8 2811.4	376.3 3703.6
early part of the session.	Equity Tornover (Cm)	_ ` <b>_</b> _'	1390.19	1832.31	1843.51	1493.72	1512,78	5-Day Aver	nge		
The FT-SE 100 Index closed 67.8	Equity Bargains		47,971	58,079	74,392	76,322	43,590	Gilt Edged   Equity Barro	Bargadas	- 154.0 463.8	153.7 550.7
up at 1749.8, after showing a 90	Spares Trades (mi)		5493	723A	778.6	659.2	389.6	Equity Valu	t	3673.6	4398.3
point gain at mid-session. The mar- less looked tired at the close, and		==	<u>'</u>		=	<del></del>	==		7 -		
prices slipped off their best levels as		10 a.m.			Noon		p.m.	2 p.m		p.m.	4 p.m.
the excitement over the BP issue		1355.6	[135		1371.8		372.6	1375		379.3	1358.3
faded away.	Day's High 1379	9.6 Da	y's Low ]			vt, Secs 25/ .67 = NH=;		ed lost, 1926,	Ordinary 17	//35, Gold MI	nes 12/9/55,
Trading in British Petroleum,				3E /	ACUMO 13	.07 - RA	20.01.				

LONDON REPORT AND LATEST SHARE INDEE: TEL. 01-245 MILE

Her, Feb. May Nov. Feb. May

23

60 23 18 20 90 20 25 28 42 30 37 40

22

33

17

40 50

39

250 260 0°2 60 200 250 0°2 30 170 200 0°2 110 145 180 0°2 130 125 160 46 160 110 140 96 195

around £64m, put on 38 to 858p. Tanined solid, it was clear from the money market trend that no move would be made yesterday, and this slackened willingness to bold on to Gilts over the weekend.

The authorities responded to the heavy off-take of bonds over the past fortnight by issuing three tranches of existing tap stocks, for a dotal of £600m, to enter the market-place on Monday.

It was a busy session for Index-linked Gilts, which closed with falk of one point after fluctuating widely during the session. There was little selling, but buying interest dired up as investors took a new look at other market sectors. The financial sector played a major part in the general upturn in markets.

The clearing banks made strong prosperss led by Lloyds, up 15 at 270p, and NatWest, 12 higher at 580p. Banclays moved up a similar amount to 483p and Midland 10 to 368p. Bank of Scotland responded to Press comment with a 22 jump to 500p and Enyal Bank of Scotland added 16 to 326p. TSB gained 2 to 109p ahead of Monday's egm.

Macarguste Marcantile leaps 25 to 93p after news that Woodchester had built up a 29.9 per cent stake in between the market and built up a 29.9 per cent stake in being a ground £64m, put on 38 to 858p. GRE, where Morgan Grenfell has reduced it profits estimate for the year from £205m to £194m, were only a shade up a' 873p at the close. Selective buying interest in the US. Scottish and Newcastle in the US. and 87p.

The US trading houses, known to have expressed unhappiness with the underwriting loss, traded the stock heavily yesterday. But interest from the Japanese houses, which have been key players in the privatisation sector, was more difficult to identify yesterday.

The upturn in the market leaders featured Imperial Chemical Industries, after the investment press gave a generally favourable comment on the trading figures announced on the previous day. Buyers returned for such stocks as Glasse and Fisons, which have suffered heavily during the market shakeout.

Insurance issues also attracted support as City analysis began to quantify the cost of the huricane which hit Southern England a fortnight ago.

There was a downturn in gold there as investors recovered some the previous day by the cost of the huricane which hit Southern England a fortnight ago.

Life assurances moved higher as the contracted contracted support as city analysis began to quantify the cost of the huricane which hit Southern England a fortnight ago.

Life assurances moved higher as the contracted contracted contracted the previous state in the company, while an announce-ment that insurance group Refuge in the cost of the huricane which hit Southern England a fortnight ago.

Life assurances moved higher as the contracted contracted contracted the previous day and the previous day and the previous day and the session. There was little up a market sectors. The financial sectors the played a major part in the general all upon min markets. The clearing banks made strong progress led by Lloyds, up 15 at 270p, and NatWest, 12 higher at

response to Thursday's contract awards, rose 12 to 307p. Trading prospects in the wake of the recent storm damage helped Marley im-Life assurances moved higher with Productial outstanding and 32 better at 835p after a buy recom-

LONDON TRADED OPTIONS

prove 8 to 149p. Elsewhere, Burnet Compolidated Goldfields provided one of the market's weak spots.

British Government bonds were pushed away from the centre of the stage, and suffered 4 points losses at the longer end as stock was sold by major trading houses bracing themselves for the opening of trading in BP.

While confidence that UK base rates will fall again shortly remained solid, it was clear from the money market trend that no move

and equity market trends to close % at £11. Laporte improved 9 to 370p, but Wardle Storeys gave fresh

ground to close 33 lower at 465p.

Store issues were at the forefront of the market advance and attracted heavy buying interest in the wake of the recent cut in base rates and on the prospect of another reduction in the near future. The top quality counters proved especially in demand, led by GUS 'A', up % at £12%. Marka and Spences, which earlier in the west amnounced interim profits up a slightly disappointing 13 per cent, hardened to 204p and Woodwarths jumped 17 to 332p. Sears raced up 6 to 137p an securities house County NatWest described the shares as oversold. Barries house County NatWest described the shares as oversold. Barries house County NatWest described the shares as oversold. Barries Surton's interim results are expected on or around November 16. Lama Askley and Raissess, unsettled recently by their US exposure, railied well with the latter 14 up at 266p and the former 9 higher at 130p. Etam remained an extremely firm market and put on 18 more to 271p. Electricals and electronics issues advanced across a broad front but many closed well below the day's highs. Cable & Wireless jumped 31 to 321p on a through the fart the raily in Far Eastern markets. British Telecom hardened 2 to 237p, after 242p, while Pleasey added 7 to 152p after 156p with over 13 shares going through the system. Racal groved to 213p early on but slipped back to close a net 15 higher at 210p as a US house unloaded the shares towards the close. A County NatWest recommendation helped BiCC edge up 5 to 306p. Thora EMI, very badly manled in the further recovery movement, with Hawker notworthy for a rise of 15 at 429p antong the leaders. Glyswed were also outstanding, railying 33 further to 420p. Bells-Royce traded on a lively note (7.8m shares) and settled 7 to the good at 136p. F. Cooper edged up a few pence more to 150p in resources to the predictions. Developments put on 9 to 160p as bid speculation revived and Costnin firmed 7 to 240p. Buyers returned for Taylor Woodrew which closed 13 up at 349p. John Mawless rallied 9 to 348p and AMEC, in belated response to Thuyday's contract.

Both Food Manufacturers and Retailers gave a much brighter per-formance. Dairy stocks were more popular than of late with Unigate popular than of late with Unigate rising 18 to 289p and Northern Foods improving 11 to 246p. United Biscouts picked up 11 at 271p and Hillsdown revived with a gain of 12 at 264p. Tate and Lyle, a particularly dull market recently, managed a small rally and closed 7 dearer at 620p. Beeker, in a restricted market, put on 32to 373p while Associated British Foods, half-year figures due on Monday, firmed 18 to 310p. Old takeover favourite Cadhury Old takeover favourite Cadbary Schwappes put on 9 to 236p and Rowatree improved a similar amount to 425p. Retailers featured Argyll which rose 9 to 194p on thoughts that the shares were rela-

new BP shares. Nevertheless, Glano staged a further useful rally to close higher at £11%, while Beecham regained 30 more to 423p. Hanson Trust touched 140p before settling 7 to the good at 137p. Boots, regarded as a defensive issue along with other selected store shares, advanced 13 to 252p, after touching 260p at one stage. Among the other miscalls. stage. Among the other miscella-neous industrial leaders, Pilkington enjoyed a reasonably brisk trade (some 5m shares changed hands) and closed 5 to the good at 218p. Elsewhere, Renters, a particularly weak market of late on its exposure

182p. Hotels staged a strong revival as

currency pressures releated. Grand Metropolitian railied 32 to 394p and Ladbroke36 to 342p. Trusthouse Forte were 11 higher at 206p.

International stocks took a distinct turn for the better, sentiment

being assisted by a further good per-formance in the first few hours of

trading on Wall Street yesterday. A steadier trend in the US dollar also helped to boost confidence and

prices, aithough below the best, recorded some noteworthy gains. Trading conditions were not partic-

ularly lively, with most of the atten-tion in the afternoon session centred on the start of dealings in the new BP shares. Nevertheless, Glazo

Elsewhere, Renters, a particularly weak market of late on its exposure to to the US, picked up to close 43 dearer at 464p. British Aerespace, however, continued to reflect currency womes and gave up 10 more to 358p, while Cookson, unsettled by fears of competition in the titanium dioxide market, reacted afresh to close 18 cheaper at 512p. British Airways picked up 10 to 145p in a volume of some 9.7m shares, while Areassan featured a jump of 18 at 98p in further response to the bumper preliminary figures. Metal Closures, reflecting news that Suter had increased its stake to 22.8 per cent, improved 5 to 149p.

A steadier US dollar heiped Jaguer regain composure and the price rallied 28 to 329p. Lacas were a better market at 516p, up 22.

Newspapers provided one of the day ourstanding features in United Newspapers which spurted 53 to 453p in the wake of a strong buy recommendation from Kleinwort Griceveson who say the recent 30 per cent fall in the shares was "wildly overdone" and "presents a highly attractive huving opportunity". Un-

per cent fall in the shares was "wildly overdone" and "presents a highly
artractive buying opportunity". Unsettled on Thursday by suggestions
that the City property boom may
have stalled, Leading Properties
perked up yesterday and registered
useful gams. Land Securities rallied
25 to 450p while MEPC gained 15
at 410p. British Land improved 17
at 225p. Peacher, 325p, and Sleegh
Estates, 217p, gained around 5
apiece. Elsewhere, Helles Bar revived with a gain of 15 at 222p and
Waten City of Lordon rallied 17 to
151p. Control Securities added 4 to
55p helped by property disposal
news.

But Industries, particularly hard hit in the recent rout because of worthes about the company's exposure in the US, began to show signs of resistance and closed 18 better at 436p. Rothmans, an old takeover favourite, regained 14 to 345p.

The BP floration predictably captions of the attention in oil markets but British Gas traded well prior to 2.30pm and eventually settled 7.

but British Gas traded well prior to 2.30pm and eventually settled 7 higher at 152p, after 156p, with over 20m shares changing bands.

Traded option business was higher with some 39,621 contracts arranged. Calls totalled 26,006 and tout 13,615. BP, following the start of dealings in the partiy-paid shares, attracted 5,727 calls and 2,675 puls. Hances Trust calls were again in demand with a total of 3,979. HT puts were only 234. The FISE contract stiracted 1,248 calls and 1,262

Traditional Options

Share Service
Stocks dealt in for the call included
Control Securtiles, Taiber, Astra Industrial, TSB, Plessey, BAA, Rothmans, Aunstrad, CH Bailey, Claux,
NatWest, Pavion, Hawley Group,
Polly Peck, KCl, Morgan Grenfell,
Wellcome, Astra Holdings, GEC,
Jaguar, Barratt Developments, B.
Matthews, Platignum, Trusthouse
Forte, Redfcarn, Premier Consolidated, Norex, Eagle Trest, Northern
Foods, Crest Nicholson, STC, HanFoods, Crest Nicholson, STC, HanFoods, Crest Nicholson, STC, HanFoods, Trust, Powerscreen, Arna Eseraon Trust, Powerscreen, Aran Eser-gy, William Morrison Supermarkets, Blacks Leisure, Amber Day, Regal-ian: Acorn Securities. Transcool and tively cheap to the sector as a Blacks Leissre, Amber D whole. Teace firmed 3 to 170p and Ian; Acora Securities, TransASDA-MFI gained 10 to 177p. Emergy Capital.

NEW HIGHS AND LOWS FOR 1987

MEW NIGHS (2)

(1) Macalian-Gleoffer,
(2) Globs & Dandy,
NEW LOWS (77)

NEW C2), CANADIANS (7),
(2), BREWERS (2),
(3), CANADIANS (7),
(4), LEISURE (2),
(5), NEWSPAPERS (2), PAPERS (1),
(6), TRUSTS (17), OILS (2), MINES (24). NEW LOWS (77)
AMERICANS (2), CANADIANS (7),
BANKS (1), BREWERS (1),

# NORTHERN ENGLAND

(Tyne and Wear, Cleveland, Northumberland, Durham, Cumbria)

The Financial Times proposes to publish a Survey on the above on

WEDNESDAY 25th NOVEMBER 1987

For a full editorial synopsis and details of available advertisement positions please contact-

**HUGH WESTMACOTT** 

0532-454969 or write to him at: Permanent House, The Headrow, Leeds LS1 80F

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER;

### **MONEY MARKETS**

### London rates firmer

UK clearing bank base lending rate 9½ per cent from October 26

The authorities did not intervene in the market before lunch. In the afternoon the Bank of England bought £798m bills outright, by way of £786m bank bills in band 1 at 9% p.c. and £12m bank bills in band 2 at 9%

Late assistance of £145m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained \$958m, with the unwinding of repurchase agreements on bills absorbing \$981m; a rise in the note circulation \$440m; and bank balances below target \$80m. These outweighed Exchequer transactions adding \$1.730 to liquidity. £1,730 to liquidity.

In Zurich the major Swiss banks announced a cut in customer time deposit rates by 46 point to 34 p.c. The rate applies to maturities of three months to one year, on deposits held with Credit Suisse; Union Bank of Switzerland; Swiss Bank Corp; and Swiss Volksbank. Rates were last cut by 46 point on October last cut by 14 point on October

last cut by a possible 28.

In Frankfurt call money fell sharply to 250 p.c from 3.25 p.c., sharply to 250 p.c from 3.25 p.c., sharply to 250 p.c from 3.25 p.c., sharply to 250 p.c. from 3.25 p.c withdrew its standing offer to supply three-day Treasury bills to the market at 3.20 p.c.

The banking system was withdrew its standing offer to

FT LONDON INTERBANK FIXING

INTEREST RATES rose on the London money market yesterday, as it became clear there would be no change in bank base rates before the weekend. Three-month interbank rose to 9%-9% p.c. from 9%-9 p.c.

The Bank of England initially forecast a money market shortage of \$750m, but revised this to \$850m at noon. Total help of \$850m at noon.

E S DM You F.Ft. S.Ft. H.FL Lim CS B.Ft. 1722 2775 285 1011 2445 1346 2744 2346 0361 1722 1364 1363 1460 1346 1274 1303

0.999 1.709 2.912 283.6 10. 2.408 5.500 2144 2229 4.156 0.406 0.409 1.208 90.75 4.307 1. 1.308 890.9 0.920 23.38

超過

355

OM 0.1% 0.577 1 80.00 1.999 0.898 1.134 717.4 0.741 YEN 4.197 7.228 11.49 1000 42.44 10.34 14.04 9808 4.505

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1.00 a.m. Oct 30 )	3 months US dellary	6 months US Dollars				
tid 74	ofter 75g	34d 74g	affer 7%			
an rates are the art	chrotic means rounded to th	pagest one-sharestly of	the hid and offered rates			
poted by the starturester Bank, Bank of	christic mans rounded to the e to five reperate busis at Tokyo, Dantsche Busis, Rus	11.00 a.m. each working a que Nacional de Paris and li	iny. The banks are Natio forgan Galaranty Trans.			
EY RATES	•		•			

MON NEW YORK (Lunchtime)

lyo	3,46875 92,100 84,872	3.84375 100-100 61-61	9.9%	11-11 11-11	92.94	:	١
, London Mot	EY RAT						
October 30	Quernight	7 days notice	Que Month	Three Months	S Month	Que Year	ŀ
ertanti erting CDs	101 <sub>1</sub> -83 <sub>1</sub> 93 <sub>8</sub> 93 <sub>8</sub> -7 93 <sub>8</sub> -9	82.51 82.51	3 31-31	September 1	A. S.	91.41 91.	
many Deposits	91-9	94	4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	9,	90	91 92	ŀ
essery Bills (Buy) —— nk Bills (Buy) —— ne Trade Bills (Buy) — lar (2)5 —— R Lialad Deposits ——	:	-	7.10.7.05	7.55-7.50	7.60-7.55	7.90-7.85	ŀ
R Lisked Deposits U Lisked Deposits Transpry Bills (sell);	ces cont 9	per cest: the	6 <sup>1</sup> e-6 7 <sup>1</sup> e-7 <sup>2</sup> g	68-62 74-73	712-73	64-64 74-73	١.

Öctober 30	Overreight.	One	Two	Three	Ştx	Lombard		12
		Month	Months	Months	Mostles	Intervention	Storehouse (*278)	3
sidert	200-300 72-75 54-54	3,65-3,80	3,70-3,90 7 <u>2-81</u>	380-400	4.00-4.20 8 <u>8</u> -68	5.00 71 <sub>2</sub>	Trafalgar House	2
yo	3,46875 97-100 7.00	100-100-1		13.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00		:	(*312)	3
	7.00 81 <sub>4</sub> -61 <sub>2</sub>	81.9	9.94	77.77	92.93	:	(-170) 128	l
Ondon Mor	IEY RAT	ES					Woodworth (*336)	3
October 30	Overnight	7 days notice	Que Month	Three Months	Six Months	Que Year	Option	-
rbark	104-84	92.91 <sub>1</sub>	91-91	91.91 64.34	21-21	22	Brit Aero (*359)	36 39 42
al Authority Dups of Asthority Books count Mist Deps many Deposits	93 <sub>8</sub> 90 <sub>8</sub> -7 93 <sub>8</sub> -9	45°-0	g	P 24 25 25	9 8 8 9 6 8	91	BAA (*119)	10 11 12
nce House Deposits . esery Bills (Buy) e Rills (Buy)	7.	7	9.00	91	372	92	BAT Inds (~437)	39 42 46
Trade Bills (Bay) ar (20s Listed Deposits Listed Deposits		:	7.10-7.05 64-6 74-7-	7.55-7.50 54-54 74-77	7.60-7.55 68-64 71-73	7.90-7.85 63-63- 78-73	6rit. Telepom (*236)	22 24 26
Transpory Bills (sell); cent; three months B	per-conth 9 6 per cent; T	per cent; thre reasony Bills;	e months 8% Average tendo	per cent; Ban r rate of disco Acress rates	k Bills (gell): ( wat 9.7858 p.c for owled life	ECGD Placed	Carbury Schweppes (*236)	22 24
Transcry Billik Comp. cant; three months B o Scirling Export Fis pober 25 , 1967, Sch ber 30 , 1967, Sch o days' Maed, Fissan a days motice 3-3-2 p							Guirmess (*256)	24 26 28
-proups andopy - hes nough - hes cost! on a criss andce 2-3-3 b	a-three Stock	6 - BET CEDE: 1	ibree-dx most	Stratt	123-00ac (COM	26 - ser cast: i	Ladbroke (*338)	30 33 36

1			<u> </u>	CALL	-	4	PUT			-	
	Option Cycles (*344)	330 360	Jac. 40	1 50	43	125		35	LAS (*2	Mg.	22
	Brit. Airms	390	1 22 32 32	20	98 38 50	18	30 45 45 28	70 30	P866		20
٠	(*1/6)	160 180	10	15	27	1 8	35 50	40 50	Plac		34
1	Brit. & Comes. (*355)	300 330 360	. 30 30	80	100 90 60	20 30 49	25 49 49	30 45	Prode		16
1	B.P. (*256)	260 280 283	25 17	49 28	44 98	30	227	36 48 	(18)	(5)	90
١	(*87)	900 820 900	90 60 40	115 85 65	146 110 98	35 SE	26 75 105	66 85 115	P. 4		46 50 53
١	Com. Gold (*820)	800 850 900	105 85 70	140 115 100	170 150 125	70 110 140	100 140 180	130 170 210	(*2	_	20 24
1	Convinciós (*338)	330 340 370	40 28	100 100 100 100 100 100 100 100 100 100	342	3	¥ 575	48 S	· (*96		34
١	Corp. Uniqu	300	1 55	1 70	Lan	1 20	1 40	145	Veni (	de)	13 11 10
١	(*929)	350 360 390		翌	60 50 40	40 50 70	45 60 80	55 70 85	Tr. 121.	4 1991 77)	10 10 10
Į	Cable & Wire (*319)	280 300 300 300	55 37 22	77 15 15 14	95 73 60 57	20 28 45 70	57 42 57 75	47 57 70 90	Tr. 12% (*)1	1995 (3)	뱳
I	British Cas (*154)	130	3	38	6	10	12	15	Tr. 111.9	6 03/07 19)	12.12
ł	A.F.C.	140 145	25	35	57	15	12	22	-	Option	140
ı	(*180)	180 200 220	17 11 6	20 15	#0 20 20	19 99 45	25 37 48	12 40 53	Amsi (*12	rad (S)	12
١	G.K.M. (*279)	260 280 300	97 25 27	57 30 42	70 60 52	23 49	35 48 38	43 55 67	8arc (*48	(3)	46 50 50
١	Greed Mes. (+394)	360 390 420	10 13 27	70 30 37	65 13 12	15 30 43	#0 57	33 47 62	Beeck (*42	3)	. 42 44
۱	(*1000)	1000 1050 1100	175 145 125	200 165 150	230 210 175	70 85 120	110 140	95 130 160	(*25	ts.	22 24 24
ı	(*328)	280 300 330	70 57 40	80 70 55	95 85 70	17 25 35	28 37 50	35 43 57	(+21 B1	R .40	22 24 26
١	Land Securities (*455)	420 460 500	34 42 25	73 50 35	83 62 45	27 47 48	39 55 75	49	She C (*35	ircia 79)	35 36 37
l	Marks & Spen. (*205)	200 220 240	25 16 10	36 24 16	40 52 34	16 24 42	80 32 44	36 46	(~270	1675 253	100
l	8-jtoli (*214)	200 220 240	38 27 17	90 35	52 42 33	22 33	30 42 55	38 47	Otro (*26	3)	29 25 29
ľ	Rolls-Royce (*135)	120 130 140	28 22 25	27 35 25	47 43 30	12 15	15 20	18 27	(*)1/		105 120 120
١	Shell Trans. (*1048)	2000 2050	125 100	180 150 125	220 190	80 103	23 105 135	135 165	Hans (*23	77	120
ľ	Storehouse (*278)	250 280 280	40 30	55 45	160 65 57	127 17 25	23 27	195 27 30	Lear	to	13 24
ŀ	Trafaiger House (*312)	220 300	45 30 15	37 60 43	73 58 45	38 13 27	48 22 35	22 40	(*24	i Bir	25 25 25
ŀ	T\$8 (*1100	330 110 120	16 12	30 22 17	28 22	10 20	17 23	20 25	(*37 Sea		39 43 12
ŀ	Wookerts (*336)	280 300	7 万 多	12 85 65	90 90	27 10 20	30 15 23	32 18 27	(*13	7)	19 14
Ŀ		330	35	45	70 50	22	30	37	(*17	2)	16 16
-	Option Brit Aero	360	Nov 28	Feb 50	May 65	Hov 25	Feb 38	Nay 50	Trusthous (*20	e Forte	15 20 22
-	(*359) BAA	390 420 200	15 8	38 25 27/2	50 40	47 70	60 80 15	68 88 15	Thors (e46	8) EM1	42 46 50
	(*119) BAT Inds	110 120	5	20 15	30 25 20	10 15	18 25	22 .	Unite (*49	8D	42 46 50
	(~437)	390 420 460	38 22	68 50	80 62	8 20 35	18 33 50	43 65	Wellca (*34	ane O)	30
	6rit. Telepon (*236)	220 240 260	25 12 6	35 25 12	47 37 25	80 14 30	17 27 37	22 35 43	Optic FT-SE		Oci.
_	Caribory Schweppes (*236)	220 240	26 15	34 22	40 26	7 18	20	15 24	ladex (*2757)	1600 1650 1700	156 106 56
	Guirmess (*256)	240 250 280	30 18 10	38. 27 20	50 37 27	8 20 38	17 27 45	전 40 53		1750 1800 1850	6 02 02
	Ladiroke (*398)	300 330 360	45 23 7	60 38 27	75 50 38	9 20 37	80 15	25 38 55	Octob	er 30. 76	

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A.	

### **DEALINGS**

Octails of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise incleated prices are in pence. The prices are those at which the business was done in the 24 hears up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of excention but in ascending order which for those securities in which no business was recorded in Thursday's Official List the tatest recorded business in the four previous days is given with the relevant date. Bergains at special prices. § Bargains done the previous day. A Bargains done with somewhere or executed in overseas markets.

Corporation and County Stocks No. of Dargains Included? London County 23:16 Core Six 1920(or after) Grapher London Council 61/7, Str. 90/92 - 536 1/ (270/627). Brinsophur Corp 31/7, Str. 1946(or alter) - 524 (290/627). Similinghism District Council 11 % 4. Red Site 2012 - E101 (230c87) Sheloccity of)11 % 4. Red Site 2008 - E106 (230c87) Manchant Council 11 % 4. Red Site 2008 - E106 (230c87) Manchester(Chy of)11.5% Red Six 2007 -£105 (230:e87) Millandon Borough of 11 X % Red Sec -Upon-Tyne(City of) 11 % Red

larke

**UK Public Boards** 

Agricultural Mortgage Conp.PLC&V% Deb. Sit. 82/94 - 17/8% (220-87)
73% Deb Sit. 91/93 - 28/9% (270-87)
101% Deb Sit. 92/95 - 25% (270-87)
101% Deb Sit. 92/95 - 25% (270-87)
Matropolitan Water Metropolitan Water 3% A. Sit. 63/2003 - 24/8%
East London Water Works Co. 3% Deb Sit. - 235 (230-87)
Inter of London Water Works Co. 3% Deb Sit. - 19/95 August 25/96/97 ert of London Authority 3% Port of London A Std 29/99 - 247% 5% % Reg Std 87/90 - 28/9%

Commonwealth-Government

Foreign Stocks, Bonds, etc-(coupons payable in London) No. of bargains included 14 The De Jamino (Same of Same) The Sept in 1927 (Plan A - new 24%) - 220 (250 cl07) Argyd Group PLC-41% Crw Bds 2002 - 2511; % (250 cl7) ASDA-MIT Group PLC-41% Crw Bds 2002 (PR-1000 ASDO) - 2105 Me 76 % 6 Ns 1991 (Br25000) - 2102 (250 cl7) BTR PLC-43% Crw Sub Bds 1995 (Br25000) - 2102 (250 cl7) BTR PLC-43% Crw Sub Bds 1995 (Br25000) - 2102 (250 cl7) BTR PLC-43% Crw Sub Bds 1995 (Br25000) - 80102 (Me 36 Me)

%%
Berchiya Bank Finance Co(Jarusy)Ld 10%%
Sec Deposit No 1985 - \$160% 1%
(230687)
Burton Group PLC4%% City Bds 8501
(Br2100065000) - £101%@ (8:210025000) - 21011/6 (8:210025000) - 21011/6 Earbury Shrweppes PLC8% Cav Bds 2000 - \$185.470 91.20 Pacestand Gold Plads PLC8% Cav Earburd Bds 2052(mich10025200) - 2105 PLC66% Subord Dw Bas 2002 - 220 (230c67) InnersityEngdon of) 118% Rds 1464 enmark/Kingdom of) 11%% Sde 1984 -2105% 7% (270c87)

210% /% (2/7065/) brons Group (Capital) PLC8%% Cow Get Bds 2002 (Britis00085000) - £83% ow Chemical Co Zero Opn Nes 306/97 -Brapordanena AS71/16 Nes 1998 (Dec 1998 Issue) - \$59% (27/067) Droot Development Corporation 1074% Nes 15/188 - \$100% 15/1/88 – \$100'si
OMAC.Austrillia/Finances) Lis 18% Nes 27/8/10
(Br. Sarticol) – \$1890
General Motors Aco CorpUngfin PLC 10%'si
Nis 2/8/2 – \$100's (200-67)
Goodman Fietter (UK) PLC5's Ges Subses
City Bds 1897 – 285.22 112.57 (270-67)
Gened Metropolites PLC5's's Subsed City
Bds 2002 15:15000 – 27.58 45
Halliac Subses Goodes 105/8 187 – 2594
Halliac Subses Goodes 105/8 Ces Bds 2002 –
\$1300 Hidgs PLC4M's Ces Bds 2002 –
\$1300
Higgs PLC4

11 X % Ray 1996(INC)000 - C105% profilored Bank for Ray & Day 11979 ffee TI N. Bas Two Chicago — CTUS W Profile Seek in Roo & De 11 Ph. His 1998 — S109 (200ct?) Remeaters in Industry Int I BYTO's Get Nes 1993(\$125000) — S99% — Land Securities PLC 91% Ste 3067 — S96% (200ct?) BYTO Chicago — SA (200ct) BYTO Chicago — SA (200ct) S100 229 — SA (200ct) \$100.220 Leads Permanent Building Goden/FIN Mids-1933 (siz5000) — xilo (zidOct7) London International Group PLO-15/4 Gtv Bob 2002 — XII (ZidOct7) Landto Frience PLO-15(d) Cor Gtd Edn 2002

dini incitif On Bds 2002 -PLCSASS, One Suppost Buts 2002 -Morgan Guerandy Tal CO of New Yorkers
Deposit Not 1992 - 915% (270-567)
New Zestendelin's Ede 1986 - 668%
(260-687)
New Zestendelin's Ede 1986 - 668%
(260-687)
New Zestendelin's Ede 2008 - 6187
(250-687)
Na Yestendelin's Ede 2008 - 6187
Alta 1996 - 510-3 35 (230-687)
Paaraon PLDS14% Criv Ede 2007 - 5181/35
(250-687)

Page on PLDSW Cm Bids 2007 - \$181.73
(23087)
2ard Cpn Bids 1988(Birth00048000) 9837, 4%
Pertineptin & Oriental Sepan New Co-84%
Cm Bids 2002 - 251% 3 (270-657)
Sensburgh PLC1037/6 files 1985 (Bid5000) 2101% (270-687)
Sensburgh PLC1037/6 files 1985 (Bid5000) 2101% (270-687)
Sensburgh Sensylvation of Co-846/6
Cm Bids 2002 - 25102 (230-687)
Sensylvati, & Sensylvation PLC71/m, Subord
Cm Bids 2002 - 258 % % % 5%
(250-687)
Sensylvation of Sign Se

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Teaco PLC-Ric Crv Sds 2002(8:2108088000)
- \$103.450 |
| Haramar PLC675 Crv Sds 2002 - 293 |
| (270-687) |
| (where r N9 14% Bds 1690 - 2168% |
| (230-687) |
| Westorns PLC914% Bds 2005 - 291% |
| (270-687) |
| Whithread & Co PLC1614% 127C Sds 1960 - 25814 (230-687)

Sterling Issues by Oversess Borrowers

No. of bargians, included 103
American Braries for 121% Une Let 5tt. 2009

- \$114% (280c87)
American Medical International Inc@WW Une
Let 5tt 2011 - 286%
Alon Desograms Bankt 10% Let 5tt.
2019(heg) - 1101% 2 \* 250c.57)
American Georgians Bankt 10% Let 5tt.
2019(heg) - 1101% 2 \* 250c.57)
American Georgians Bankt 10% Let 5tt.
2019(heg) - 1101% 2 \* 250c.57)
Catese Carlotte by Cooperation Scott 15% Georgian Control 15% Catese Anthrough 15% Georgian Geor

14%% Old Ln Six 2007(Reg) - £136% %
Denmark() Ingdom of) 1976 Ln 9ex 2006 £119% % %
Eaton Finence No 123% Line Ln Six
2014(Reg) - £114% %
Electricite of France 125% Ghd Ln Six
2004(Reg) - £120% % %
117% Ghd Ser Ln Six 2009(12/Reg) £112% % 3 (270c87)
European investment dank 5% Ln Six 2001
(Reg) - £12% (270c87)
10%% Ln Six 2004(Reg) - £103%
10%% Ln Six 2004(Reg) - £103%
11% Ln Six 2004(Reg) - £105%
15% Ln Six 2017 - £125% (270c87)
Ichmol(Regublic 06) 114% Ln Six 2016 - £127%
15% Ln Six 2017 - £125% (270c87)
Ichmol(Regublic 06) 147% Ln Six 2016 £120% %

1120% % Inco Ld 16%% Une Ln Sth 2006 \$ Rep Cpt -11320 Inter-American Development Sent(S%% Un

F1329
Inter-American Development SenkSWM Ln
SR 2019 - ESFM
International Bank for Res & Dev9XW Ln 8tk
2010/Reg - 236 %
11.5% Ln 8tk 2003 - 2112% W W 3
relent 127% Ln 8tk 2004/Reg - 2112%
New Zestand 11%% Stk 2014/Reg - 2112%
18% Ln 3tt 2011 - 2162
Peroleos Mendantos 14% Ln 8tk 2006 E77% 37 (230067)
Portugal (Rep of) 9% Ln 8tk 2018/Reg - 225% W W 285% % % % % % Province die Ouebec 12%% La Six 2000 – 2118% Spenifungdom of) 11%% La Six 2010[Rag] – 2111% % E111% Sweders (unodom of)9%% Ln Se. 2014(Reg)
- 25% % St. 2014(Reg) - 2127% % % 8
Throad & Tobago (Republic of)12%% Ln Se. 2016(Reg) - 21007 (20057)
United Messcen States 18% Ln Se. 2006(Reg) - 2101 % %

Banks and Discount Companies

arclays Benk PLC79% Une Cap Ln Sak 88/81 - £89% (230687) 88% Une Cap Ln Sax 86/98 - £85% 98% 1 M. N 177 % 12% Und Cop Ln 98t 2010 ~ 2112% % % % % % 3% 18% Und Cop Ln 8tt 2002/07 - 2128% % 40 Berings PLC7%% Quen 1st Pri 21 - 93% 6 (27067) 8% Cum 2nd Pri 21 - 103 (260687) ors Lum 2nd Fri 21 - 183 (260-67) Commenciatink Ag Colordon Warburg) DM10 -E15% (260-687) Hill Samuel Group PLC3% Une Ln Seit 388-6 - 285 (270-687) Midded Bank PLC71/% Subord Uns Ln Seit 83/93 - 254% (270-687) 1014% Subord Uns Ln Seit 38/95 - 5100 14% Subord Uns Ln Seit 2002/07 - £123% 4 X %

National Westminatur Bank PLC 7% Cure Pri £1 - 62 2% Subord Une Ln Sik 1983 - 296% 125 % Subord Une Ln Sik 2004 - £115% Royal Bank of Scotland Group PLC11% Cure Pri £1 - 101 Skindard Chartered PLC12% Subord Une Ln Sik 202077 - £115 % % % 199 Group PLC727% Subord Une Ln Sik 202077 - 215 % % % 199 Group PLC727 20 a 2 3 4 4 5 5 584 6 3826 % 383 7 7 102 8 8 9 10 Werburg (S.G.) Group PLC737% Cure Pri £1 - 35 (280067)

Breweries and Distilleries

- 112% Sterands Brissery Lifeth Cum Pri 21 - 370 Greenal Whitby PLC"A" Ont 5p - 1100 8% Cum Pri 21 - 37 (280c87) 8 Ms and Uni La Sa - 656 74% % 270c87

270x87) lardys & Hamilione PLCOrd 28p - 720 hiermational Distillers & Vintners844% Une Ln Std 87/82 - 551 (280x87) Ascallan-Glantikus PLC7% Clast Prf E1 - 88 8 (23Oc87) lansfield Brewery PLGOrd E1 - 480 Manifield Brievery PLGOrd E1 - 489 (27087) Societa a Nevicensia Brieveriae PLG7% Cav Curr Prf 51 - 125 (280627) 45%; to May 0 by St. 6560 - 4860 Seagram Distillers PLC12%% Deb Sei 2012 - 215% % 18 6 % 49 car Group PLC88775 Deb Sei 2015 - 235% % (270687) Watney Jamas & Trumin Hidge PLC5%% Ind Deb St. - 231 (280687) 18% Red Deb St. 62874 - 273% (280687) 18% Red Deb St. 6206 - 216% % 8 8% Une Ln Stit 90/85 - 233% 4 (280687) Whitnesd & Co PLCS Ord Stp - 688 (280687)

(2000) 7% 3rd Cym Prf Sti; E1 = 60 (200x87) 7%% Una Ln Sti 8897 = 286% (270x87) 7%% Una Ln Sti 8889 = (79% 62 uni instabaset Ča Pt.C.Oni 98a - 986

Registered Housing Associations Storth Housean Association Ld Bildin Old Lin Jan 2007 (2007) - 111 (167) - 218 (17) (2006) - 210 (2007) - 218 (2006) Zano Con Lin Bild 2007 - 186 (2006)

Commercial, Industrial; etc. AAT Hidgs PLDA.2% Com Pri S1 - 54% (2500E7) ABD Research PLC6.2% Glw Pri 21 - 90 \$ 5

Assaladors Hoga PLC-A (1961-1967)
Asister Day Hidga PLC 1011-16 Com Pri
93/2005 51 — 188 (280-67)
Applemen Hidga PLC Ond 103 — 1708 8089
Arcstechte(Hidga) PLC Ond 103 — 1708 8089
Arcstechte(Hidga) PLC Ond 103 — 101
(280-257)
Anytige Comp PLC Wennerse to sub for Ond —
3-05 (280-687)
Almottage (280-687)
Associated British Engineering PLC-A-9%
Descript TS — 80 (280-267)
Associated British Engineering PLC-A-9%
Descript TS — 80 (280-267)
Associated Effective PLC-79/16 Unit Let
80 (280-267)
Associated Parasson PLC-99/16 Unit Let
80 (280-267)
Associated Parasson PLC-99/16 Unit Let
80 (280-267)
Associated Parasson PLC-99/16 Unit Let
80 (280-267)
Associated Calculum PLC-79/16 Unit Let
80 (280-267)
Associated Calculum PLC-79/16 Unit Let
80 (280-267)

Antonomy Products PLCTVM Line Lit Bis edge - 61% (BROCET)
Anton ABFree To She SK12.80 - 61940
Anton ABFree To She SK12.80 - 61940
Anton ABFree To She SK12.80 - 61940
Antonomy Products PLCCLS's Cum Pri St - 8 % 7 % 8 % 42 Aynesté Maryl Produces PLCOrd 28p = 650

Annahi Maisi Products PLCOrd 28p = 1879
30
Broc Pull 79/9 Data Six 90/90 - 265%
Broc Group Pull 19/4 Una Lri Six 20/9/17
- 51/5/6 %
BelleyCLL) PLC-6' Ord 10p - 1800 20/9
Brot & Walson Amold Trust PLCOrd 28p - 380 (260067)
Bestin(CLL) PLG-6' Data Six Cum find PT/
21 - 101 % (260067)
8/% Cor Use Lin Six 2600 - 2128
(260067)

81% Car Use Ln Sin 2000 - £129 (20057)
Bestert SSE PLC Ord 10p - 62
Birmid Quelcast PLC 71% Line Ln Sin 8765 - 136 (20067)
Bestert SSE (PLC Ord 10p - 62
- 136 (250087)
Buschwitzd Hotige PLC 9% Une Ln Sin 8769 - 136 (250087)
Blue Circle Industries PLC 9% Deb 30 4967 - 200 (250087)
Blue Circle Industries PLC 9% Deb 30 4967 - 200 (250087)
Blue Circle Industries PLC 10p - 45 (250087)
Blue Circle Company PLC 10p - 45 (250087)
Blue Circle Circle Circle Circle

55
Pairme(T.F.A.LH.)(Hidge) PLC\*A\* Non.V Ord
25g ~ 150 (250C57)
Straitments Group PLC\*Ord 21 ~ 255 5 45
Circ Pri 50g ~ 55 50-1
Branke(C.D.); PLC\*14% Circ Une Lr 56; SMBB
- 2276 (270G7)
Bridge PLC\*65% Une Ln 56; 250257 ~ 255
(250G87)

6%% Cuts 3rd Prf £1 - 58 (280c87) 7% Ling Ln Sik 85/80 - 2890 Frant 1 Jackson PLCOrd 20p - 38% 41 % 2 3 4 Brown Clothig PLCSR's See Ln See 2005 -E50© Budgin(A.F.) & Co PLE-Ord Six 5p - 65 70 Budgins PLC8% Cush Prf £1 - 58 (260c67)

PLISTER PLOSTS CUM PT E1 - 58 (260c57)
7% Che Uns Ln Six 95:97 - £104.
(270c87)
Burhodere investments PLC15% Une Ls Six 2007/12 -- £115% (230c57)
Burnon Group PLCWts to Sub for Ont Stat 1991 - 70 (230c57)
3% Uns Ln Six 98:2003 - £77
9 K% Uns Ln Six 98:2003 - £22 (230c57)
3% Che Uns Ln Six 1998/2004 - £150 7
10

10
20 (230cd?)
Catterny Schwappos PLC3Nc Cure Pri 23 -250 (230cd?)
Catterny Schwappos PLC3Nc Cure 1șt Pri
Str 21 -- 45 (250cd?)
St 21 -- 45 (250cd?)
St 25 tet May Deb Bat 94(2004 -- 278
9% 1st May Deb St 89/93 -- 228/4 - 48
Horstern Sngineering Industries PLC3% Cam.
Had Pri ST - 35% (280c87)
30% Une Un Six 8963 - 257 (270c87)
Notion Opes PLC55% Che Cam Ried Pri
2002 Et - 95 (270c87)

ated PLC2n(Br) (Con 481 eT.) PLCOrd 18p - 45

Sti 88/93 - £85

551 (280c87) 7%% Deb Sek 89/94 - 2909

290 (28Oc87)

Clyde Blowers PLCOrd 25p - 275 (270:287) Coats Patons PLC4's this Lin St. 2002/87 - 5440 63% Une Lri Sek 2003/67 - 286% 73% Une Lri Sek 30/85 - 234 (280-87) Carte Viyelle PLC4.9% Cern Pri St - 68% 3 (270-87) Conon(A.) & Co PLCNen.V \*A\* Ord 28p -475 (270-87) 475 (27Cc57)
Combined English Stores Group PLC9%%
Une Lin Sit, 95-91 - 382
Cackarn Group PLC7% Care Pf £1 - 569
Cope Alman International PLC7% Red Une
Lin Sit 7150 - 290 (250c57)
Courtaids PLC5% Care Red 2nd Pri £1 654 (20m7z)

7%% Deb Set 89/94 — #8009
5%% Une Ln Set 94/95 = 270% (280087)
6%% Une Ln Set 94/95 = 273%
7%% Une Ln Set 94/95 = 287% (280087)
7%% Une Ln Set 200405 = 127%
Courteff-unishers) PLC Ord 25/9 = 28000
Cowle(T,) PLC 10%% Crow Red Care Prif 21 = 211% (280067)
Creat Nicholage PLC 55/6% Crow Cure Red Prif 21 = 93
Crowle Group PLC 14/% Crow Cure Red Prif 21 = 93
Crowle Group PLC 14/% Crow Cure Red Prif 21 = 93 58 514%, Une Lin Salt 80/95 - 288 (27/0087) 8% Une Lin Salt 88/95 - 287 (27/0087) 10/6%, Une Lin Salt 97/2022 - 2900 units Hooks Nacionages PLC/87% Curr 1st Prf 21 - 83
Cronite Group PLCT47s Cav Dab Six 1862 - 2156 (27067)
Crostfler Lotte Edward (Midgle) PLG58/%
Can Sri E1 - 84 (28062)
Crystalan Major PLC58/% Cav Une Ln Six 2003 - 2117
M/45 Cav Law Ln Six 20032 - 2520 (28067)
DAKS Simpson Sreep PLC58/6 Cam Pri E1 - 480 (28067) THE PLOTES USE IN ME BOOK - 1984

Delgoty PLC4,89% Com Pri 21 - 40 8 (270087) History & Commin Pulsary Lawrence (64% Deb Six 8540 – 286 (270c67) Record Holdings PLCOrd Sp – 75 8 65 10% Com Red Pt 21 – 114 8 (280c68) Recold Committee (180c) PLCOrd 25p – 365 Read Executive (180c) PLCOrd 2p – 120 5 40 thornhams PLC6X% and Deb Sec 90/86 -46
Pact International PLCSVM-Cum Red Pri 21
- 61% (200cil7)
7% Out Pri 21 - 64% (200cil7)
7% Dab Sat 8266 - 527 (200cil7)
7% Dab Sat 8762 - 522
7% Dab Sat 8762 - 522
7% Dab Sat 8762 - 522
7% Dab Sat 8762 - 5250 × 0 × 0
7% Dab Sat 8762 - 5250 × 0
7% Dab Sat 8762 - 5250 × 0
7% Dab Sat 8762 - 5250 × 0
7% Dab Sat 9065 - 526 (200cil7)

Data Group PLC-42% Com far Pri 1 - ESN (260-697)
Data Group PLC-42% Com far Pri 1 - ESN (260-697)
Denorra PLC-525% Cum Cnv Rad Pri 51 - 1185 (260-697)
Denhurst PLC-07d 10p - 56 (260-687)
Denhurst PLC-07d 10p - 56 (260-687)
Diction(Lemns)6Co(Orop Forgings)PLC-08d
25p - 110 (260-687)
Dominion insurantioned Group PLC-Warments to sub for Ord - 10 3 (360-687)
Dow Chemical CoCom Site (2.50 - 257% (270-687)
Den Chemical CoCom Site (2.50 - 257% (270-687)
Black PLC-07d 25p - 164 6 7 8 72
5N Cum Pri 51 - 47% (270-687)
Black PLC-74 Cev Cum Rad Pri 61 - 106 (270-687)
Elycytiotoledon) PLC-07d 25p - 889
European Homs Products PLC
- 25 (270-687) (270cb)
BystWinbledon PLCOre cap
European Home Products PLC
- 25 (270c57)
S44 Crv Cum Red Pri 2006/11 21 - 110
Evered Holdings PLC3.65% Cum Pri 21 47% (270c57)
Evode Group PLC4% Crv Une Ln St. 68/05
- 2163 5 (250c57)
Exceller Jewellory PLC11.5% Cum Pri 21 -

Ferfanti PLC3.8% 2nd Red Cum Pri £1 — 44% (230cdf7) 3.88% 3nd Cum Pri £1 — 450 Fine Art Developments PLC46% Une Lr. 9% 28601—298 (280cdf7) Pntsylfemest/PLC462% Cum fist PLC466.ET — 35 (230cdf7) Places PLC576% Une Le 8% 200400 — 2004 Priority PLC576% Une Le 8% 200400 — 2004 Priority PLC576% Cnv Cleat Red Pri Pr. — 9 9 9 9 Spare Rosbuck & Cassin in \$33% Skidner PLC7976 Une Lin 98: 800308 - 2500 - 2500 PLC976 Cum Prf 21 - 40

21 - 80 90 8% Can Cum Ned 21 13 - 185 (270:57) 10%% Gtd Dub Stk 90%5 - 2160 (280:67) Janeral Electric Co PLC7%% Une Lin Sik General Electric Co PLC7X% une un en 87/82 - 194 (2/Col07) General Motore Corp Cool Set \$1 855 -7% Red Une Lin Str. 87/92 - 597% editioner Hidge PLCOrd Cop SSp - 15

(260:67) 10% Chy Ung Ln But 90:96 - E130:40 (260:687) (280c87) Siemer Group PLC Ord 10p - 310 Sieme Group Ld 64% Une Ln 30k 6596 S0p - 40% (270c87) Siyilikad La La La Dal PLC 1011% Una Li Sok 3430 - 255 Toodwin PLCOrd 10p - 48 Trace(W.R.M. Co/Corn Set 81 - \$40.18886 (260c87) (250cs) irmel Maintpolitin Pluses AS (230cs) 84 S (200cs) 84 S (200cs) 84 S (200cs) 10% Lins Ln SM \$1496 – 2346 Sharn Industries Ld Ord R0.25 – 28 86

Harm PLC11% Chm Prf Ef - 120 1 (25067)
Hawter Siddeley Group PLCS%% Com Prf
St - 50% % (250667)
Herbys PLCS%% Uns Ln St. - 2730
Herbits Instite of Com St. of NPV - 288
6720676 (270:617) 1900u S 188 PLC#X% Dab Sp. 38/64 - 292 270:67) 2030-0377) 876-Ums Ln Stk 66/94 — 58416 (27/0087) - 202 MAI PLC55/46 Une Lo 8tk 2001/06 - 201

- 252

AIT PLCSW'16 Uns Lo Bix 2001/06 - 261
(270-67)

7/19. Uns Lo Bix 86/61 - 255 (260-67)

28A International PLCOrd 50 - 26.3 5 5 5

ITI. International PLCOrd 50 - 26.3 5 5 5

ITI. International PLCOrd 50 - 26.3 5 5 5

ITI. International PLCOrd 50 - 26.3 5 5 5

ITI. International PLCORD FLCORS 100 - 260 61

- 25 (220-617)

SYNY Care 2nd Pri 36x 51 - 267 (260-617)

International Industries PLCORN 10

SYNY Uns Lo Six 86/51 - 267 (260-617)

SYNY Uns Lo Six 86/51 - 267 (260-617)

SYNY Uns Lo Six 86/51 - 267 (260-617)

International Bus Mach Corp Sits Cap 50x 51 (25 - 257 % 70 5 118.25 1187)

International Bus Mach Corp Sits Cap 50x 51 (260-617)

Johnson A Farth Brown PLC 11-25% Cam Pri 51 - 126 (260-617)

Johnson Alektry PLC 167% Cum Pri 51 - 118 (260-617)

Johnson Alektry PLC 167% Cum Pri 51 - 118 (260-617)

Johnson A Stateman PLCA-87% Cum Pri 20 - 16 (260-617)

Johnson A Stateman PLCA-87% Cum Pri 20 - 16 (260-617)

Johnson A Stateman PLCA-87% Cum Pri 20 - 16 (260-617)

Johnson A Stateman PLCA-87% Cum Pri 21 - 20 (270-617)

Johnson A Stateman PLCA-87% Cum Pri 21 - 22 (270-617)

Johnson A Stateman PLCA-87% Cum Pri 21 - 22 (270-617)

Johnson A Stateman PLCA-87% Cum Pri 22 - 25 (270-617)

Johnson Group PLCS-87% Cum Pri 22 - 25 (270-617) 16 (2000ff)

Karraing Mostr Group PLCSK-M Outs PH 121

- 89 (270dff)

7% Curn PH 21 - 82 (2000ff)

Ladordus Group PLCSK-Gids Une Ln 8th

50/82 - 250 k

Lalog Lohn) PLCOrd "A" Men Vily 28pl - 348

5 7 8

Laborie Industriae("House PLCIFIE Outs Intellegent Industriae("House PLCIFIE Outs Intellegent Industrial"House PLCIFIE Outs Intellegent Industrial"House PLCIFIE Outs Intellegent Industrial Industrial PLCIFIE Outs Intellegent Industrial Industrial

10%% Deb SK SAMS - 25746
Levis(John/Parinership PLOS% Cash Pel Sak
S1 - 3546
Lant Service PLL2nd Sår Wib Tib Superside
for 1 Ord - 200 (270-017)
Strik-Core Pri 21 - 60%
Levisen Service PLS Port Ste 3448 - 600
(250-017)
Levisen Services PLS Pri 4 Une Levis Sams
at (250-057)
Levis Industries PLS Pri 5 Une Levis Sams
- 237 (250-057)
Lyten(S1) PLS III SC Une Pri 21 - 120
(250-057)
Lyten 8 Lyten PLS Deb 1 100
M.Y. Hotelinge PLS Deb Ord 120 - 67
(250-657)
Montpinge (Afrech PLS PLS Une Pri 21 - 117%)
Montpinge (Afrech PLS PLS Une Pri 21 - 117%)
Montpinge (Afrech PLS PLS Une Pri 21 - 117%)
Montpinge (Afrech PLS PLS Une Pri 21 - 118%)
Montpinge (Afrech PLS PLS Une Pri 21 - 118%)
Montpinge (Afrech PLS PLS Une Levis Une Levis Une Pri 21 - 218%)

Percentage Control of the Carlo Carl (280067) 5.825% Cov Cum Nest Pri 2012 £1 - 7\$ 40

80 Merist & Science: PLCP's Quer Pri St. - 62 (280c87) Microrel Communication Corp PLC-4.2% Cuts Pri St. - 62 (280c87) 4.2% A Corn Pri St. - 98 (280c87) 4.2% B Curs Pri St. - 98 (280c87) 6.5% Non Curs Pri St. - 98 (280c87) 6.5% Non Curs Pri St. - 98 (280c87) 6.2% Non Curs Pri St. - 98 (280c87) 6.2% Non Curs Pri St. - 98 (280c87) (23CoS7) 7.5% Non Com Red P(T £1 = 197% (23CcS7)

7.75% Non Cum Red Prf £1 - 167% 7.75% Not Curs 1960 PH 52 - VSF's (230-25)
Metal Box PLC4.9% Curs PH 58: £1 - 82% 7
2.9% Red Curs 2nd PH 58: £7 - 389 (270-87)
10 % Unit Ln 58: \$297 - 26% (230-67)
Monando Co Cors Sh: \$2 - 257% (270-67)
Monando S.P.A. Serings Shs L1000 - L830 (270-67)
Monando (270-67)
Monando (270-67)
Monando PH 51 - 84 5 5 7
NCR Corp Cors Sh: \$3 5 - 36 % NCR L648 % Gal Lo Sh: \$3.98 - 259 (250-67)

(280687) Hell & Spinour Hidgs PLSDid Ord 10g = 18 13% Two Six 30/65 = 21010 Henry International PLETM 1st Case Pri Cr = 85 2nd Cum Pri \$1 - 74%
Next PLC7%"A" Cum Pri \$1 - 81 (\$90c67)
Note & Lund PLC8% Cav Cum Red Pri \$1 - 135 (270c67)
Nobe Group PLC0rd 10p - 229 5
Note Date AS Calls "SFIRM Vig MC20 - NX10E2" NK106% North British Steel Group#HiggsPLDOrd 25p ChresGeorges Fundament PLCOed 25p = 459 10 (250-257) Pell Corporatem Star of Care St. 28.25 = £12 Parker Knot PLCOrd 35p = \$40 (250-257) Peridend Texater/Adopt PLCOed 25p = 2570 Privition Leaure Hidgs PLC 10p = 2550 Pageson PLCB 322% Unit Le St. 8893 = 256

(230c87) 105 % Lins Lin Sak 9396 — 139 (270c87) 13 (23% Lins Lin Sak 2007 — 1394 10% Y, Use Lin SER 2007 - 139 (2004)
13 (257)
Parton PLC Diet Ord 28p - 220 60 (2004)
Parton PLC Diet Ord 28p - 220 60 (2004)
Prizer In Com 50.16 - 5490
Plansey Co PLC 71% Dob Sin 2017 - 226 (2704)
Press Tocks PLC Ord 16p - 230 (2004)
Press PLC 2004
PRESS Tocks PLC 2004
PRESS TOC

1894% Lone and State of the Sta 

79% Dab Skt 90/85 - 238 (220047)
10% Uns Ln 9tt 200489 - 237®
Palyon Group PLC75% Uns Ls Six 8867 - 237 (270637)
Paciciante Group PLC77% Cure Cre 2nd Pri 21 - 235 (27067)
Phi Uns Ln Six 66/88 - 275 (280687)
Pola-Roya PLC774 20p - 118 20 % 2 3 3 5 5 % 6 6 .128 273 7 8 8 .871 9 30 30 1 Pagnar PLC11H'S Gum Pd 21 - 1440 60 Taxonina PLCHs 18 Cam Pd 21 - 50 4 (28Cc87) 5 & U Stores PLC Warrante to sub for Ord — 95 (28Cc87) Sautori & Basson Co PLCADR (81) — \$17%

BM: SN: One Une Lis Shi 2012 - SN (REDEST)
Salmsburge,) PLC876 km2 Une Lis SN: - 574
(270c87)
Salmsburge,) PLC8.8% Class Prf 21 74 (280c87) (Autocor)
Sanderson Marray&Boter(hidge) PLCOrd 50p
– 165 (280-687)
Sonetrania Hidge PLCS.78% Over Cum Red
Pri 1 – 245 (280-087)
Schering AGSNs of DMS0.199 &1999 (Cpn
51) – DMS00 (280-687)
Sears PLC71/% Cum Pri 51 – 680
7% (Au Dum Pri 51 – 680
283%

- 2506

Smon Engineering PLC9% Cum Pri 21 - 40
Bastchley PLC42% Cum Pri 21 - 142
(270c87)
BingsbyfilGpri,Cord Stip - 329 40
(250c87)
Breith & Nephew Associated Cos PLC55/16
Cum Pri 21 - 52
Beaking,M,M,S Somfedge) PLC'87 Ord 10p - 80 9%% Cum Red Prf 21 - 40 (270c)(7) 5%% Red Une La Sti - £40 (270087) 7%% Red Une La Sti 1848 - £54

(250-627)

Breith Industrian PLC1155 Deb Six 98.000 - \$10.000 (250-67)

Special C.A. (250-67)

Special C.A. (250-67)

(270-67) aca PLCOM 280 - 809 5:1720
Suicitto-Spanismen PLUMirra-C. In sub for Ord — 60 (280-057)
Shife PLCOM Ord 59 — 160 (\$60-057)
Buller PLCOM Ord 59 — 163
Seedoth Metric Co-V- 586
SESO(Non-Resmissed) — 58% 11.131579
(270-057)
Semulating & Some Ed6-3% Cum Prif 51 — 80
(200-057)
Synoxide Shallweeten PLCOM Sn — 56.

TEN Corporation@hij of Osip 8th 1990 - israu 760 770 789.05 11 Group PLG8.8% Una La St 8664 - £78 rationSha of Corp Sus Y50 - 6780 (200c87)
\*\*Take Link be 6984 - 258 (250c87)
\*\*Take A Link PLC6996 Cam Pri Stx 22 - 67 B
\*\*Sec0057)
\*\*Take Higher PLC9996 Cam Pri Stx 22 - 67 B
\*\*Sec0057)
\*\*Take Higher PLC99976 Cam Pri Stx 22 - 67 B
\*\*Sec0057)
\*\*Take PLC9976 Link Steep Clee Lin Stx 2006 - 24776

7800 PLD-78 (see 1949 bills of the All Sec. 2017)
Tack Holdende PLCOdd 100 — 130
Titomson Organisation PLC4-72% Cem 198
Pri 21 — 625 % (880067)
6.55% Cent Pri 21 — 74% 5% 6 (880067)
21-7% Cent Pri 25 — 77 (880067)
31% 1st Mitg Deb Sm(8494) — 256 (270067)
THOTH SM PLC Warrante to see for Ord — 90 (280067)

S% 1st Mig. Deb SRQM-94) — 220 G2-Funery
THORNE SME PLCOMMENTANE to sale for Ord —
80 (280-087)
599 Une Lin Skt. 280-469 — 251 (280-087)
71% Une Lin Skt. 280-469 — 2579 (270-087)
71% Une Lin Skt. 250-409 — 273-9
Tillipsten AgOder Den Tüllmed by Westerheiter
Bend — 238-461895 58-46-6655 p. 780
(250-087)
15-25% Clum Pri £1 — 86 9% % (250-087)
5-25% Clum Pri £1 — 86 9% % (250-087)
5-25% Clum Pri £1 — 86 9% % (250-087)
15-25% Clum Pri £1 — 86 9% % (250-087)
15-25% Clum Pri £1 — 86 9% % (250-087)
15-25% Clum Pri £1 — 86 9% % (250-087)
15-25% Clum Pri £1 — 86 9% % (250-087)
15-25% Clum Pri £1 — 86 9% % (250-087)
17-3% Deb Sit. 85-59 — 259 (250-087)
17-3% Deb Sit. 85-59 — 259 (250-087)
17-3% Une Lin Sit. 86-64 — 251 (250-087)
17-3% Une Lin Sit. 86-64 — 251 (250-087)
17-3% Une Lin Sit. 86-64 — 251 (250-087)
17-3% Clum Pri £1 — 57
25% Une Lin Sit. 86-640 — 26-53
(250-087)
17-3% Une Lin Sit. 86-640 — 26-53
(250-087)
17-3% Une Lin Sit. 86-640 — 26-53
(250-087)
17-3% Une Lin Sit. 86-6400 — 26-53
(250-087)
17

Updor(E.) is Sons PLCOrd 25p - 100 10
Varions Vyets PLCA55% Cust Prf 21 - 60
(270c87)
S.P% Curt Prf 21 - 60 (270c87)
7% Deb Sit 34489 - 231 (220c87)
2.1% Urs Ln Sit 572002 - 2776
Violers PLC5% Camples Free To 380pPrf
Sit 1 - 430
Violers PLC5% Camples Free To 380pPrf
Sit 1 - 430
Violers PLC5% Camples Flore To 380pPrf
Sit 20087)
Violers Statistics PLCOrd 25p - 144 58
(220c87)
Violers Statistics PLCOrd 10p - 37
Violers A.Statistics PLCOrd 5p - 145
(220c87)
Violers A.Statistics PLCOrd 5p - 405
(230c87)
Violers A.Statistics George PLCOrd 468.65 (fee
Violers A.Statistics George PLCOrd 468.65 (fee
Violers Camples PLCOrd 25p - 300
Violers A.Statistics George PLCOrd 25p - 300
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Viol

(260c87) Whitecroft PLG4.1% (Jum Prf 21 - 58 3 (25057) Whiteorth & Mitchell Textorial Ld7%\* Uns La Sit 94:55 – 276 (220:57) Williamo Hidgs PLG189:96 Com Prf 21 – 130 [270c87] Mishaw Securities PLCOvd 3p - 84 5 8 New Ord 5p (FpFHL-8411487) - 10-21 (280c87) Philips / LG7%% Cum Pri Stk 21 - 72 6% Quin 2nd Pri Sak 21 - 32

Merox Corp Com Sit \$1 - \$51% York Trade: Hugs PLG16% Gum Prf £1 -136 (250c87) cats PLC5% Com Pri Si -Zetters Leaure PLCOrd 10p - 135

Financial Trusts, Land, etc.

Mo. of bargains included 608

Antencan Express Co.Com 80.80 - £12.9

Ansto Laseing PLC New Ord 10p
(Fp1.A-6/1-167) - 160 60 3

Assait Trust PLC Wignards to sub for Ord 78 (280.607)

Britannia Arrow Hedge PLC Wile To Subscribe
for Ord - 68 (280.607)

Butliness Mortgages Trust PLC 8.6% Cam Pri
£1 - 67 % (280.607)
Call Managed Portsolo (se CoShs of NPV
(Saringuistra Portsolo Ship) - 81.9 (280.607)
Sts. of NPV (Growth Portsolo Ship) - 84.3
(280.607) (23Octif)
Cater Alan Git Edged Fued LePig Red Pel
1p = \$12.89 (23Octif)
Companie Bancaire S.A. FF100(8r) =
261.3156530 475940 478.83770
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Daily Mail & Germani Trust PLCOed Step = 225 (270c87) Bolinburgh Resocial Trust PLCWarrants to cincurph Phenoisi Trust PLCWarrants to sub for Ord - 25 7 spicretion Co PLC Ord Six 5p - 180 organomic language PLC Ord 10p - 185 oda Domant PLG3.5% Cum Prf 50p = 24 (220c87)
Gainness Flight Global Shringy FdPty Red
Prf 90.01(Managed Currency Fund) -835.21 (230c87)
981 Global Funds LdPty Red Prf
90.01(Storting Sho) -- £15.47 (270c87)
Pty Red Prf \$0.01(Authorized Sho) -- £15.8
(270c87)

(27 CoSF)
Extrape PLC51 % Cum Reg PH WN2 LT —
B5 (25 CoST)
S% Une Ln Six 57 80 — 250 (25 CoST)
B45 Une Ln Six 57 80 — 250 (25 CoST)
B45 Or Ord — 14 (25 CoST)
B47 Pacific Warrant Co SAPH SZ (57) — 23 46
Sons—Europe Pund Lu Sha 80.10 — 03.24 5
S5 5

Poyer Trust Government Secs Fund Lethig Red Prit 1p - 85% 73 (250c67) Smith New Court PLCMinnates to sob for name PLC Werrands to sub to

Ord - 65 (280:67) Transcontinents Services Good MV = 1009
Value A Roome Trust PLC Transmit to see for Crot = 30
Warrants 8894 to sub for Crot = 15
c2lCc2l)
6XY4 Clam Crov Red Prf 21 = 137© 80

No. of bargains securities to PLC9% Commercial Union Assurance Co PLC9% Cum Red Prf 89/2009 £1 - 52% (230/207) Guardian RoyalExchange AssurancePLC7 Carti Red Pri E1 ~ 80% (250c87) 7% Line Ln Str 86/91 ~ 128 8 (270c87) Lloyd Thompson Group PLCNew Ord Sp (PpILE-20/11/87) ~ 165 75 5

Investment Trusts sub for Ord - 24

Bantara Investment Trust PLO 101/16 Dets
Six 2015 - 897 (270c87)

British Empire See & Garcetel Trust 101/16
Det Six 2011 - 206 (270c87)

CDFC Trust PLO Haar Ord 10p

[PDPAL-511/87] - 70 (270c87)

C.S.C.Investment Trust PLOOd Sits - 846

(270e87)
Subscribe for films FLCHMs in .
Subscribe for films & I Cap = 55 (230e87)
Derby Trust PLCMermots to sub for Cap 896 = 125
SPM Dragon Trust PLCMs in the Marmint FpLA-11/12/67) = 7 %
Softwurth American Assets Trust PLC9%
Cay Subscrib Lin Six 73/98 21 = 690

(270:57) Schritzing investment Trant PLC11974 Deb Sct 2014 -- 2108hr % SINGRAP & Caledonian Investment PLCOrd £1 - 252 (270-67) English & International Treat PLC 101(1) Deb Six 2014 - 2101 FA C. Pacific Investment Treat in Association

Sing 2014 — 2101

F.A. C. Procific investment Trust PLC10745 Deb
30s 2014 — 2101

F.A. C. Procific investment Trust PLC11376 Deb
30s 2018 — 21008 16 g30067)

Print Scottist American Trust PLC11376 Deb
30s 2018 — 21008 16 g30067)

Print Scottist American Trust PLCWarrants to sub
for Ord — 3716 8 40

Planning Par Santens live Trust PLC976 Cum
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Planning hierarchie inv Trust PLC976 Cum
PH 51 — 479

Deb 50s — 250 (270067)

Forugn 6 Col Invest Trust PLC978 Une Le
80s 9989 — 250 (270067)

GT Berry Japan Fund Lof50.10 — 321,800

German Scourtise Inv Trust PLC978 Une Le
80s 9988 — 250 (270067)

GT Berry Japan Fund Lof50.10 — 321,800

German Scourtise Inv Trust PLC978 Une Le
80s 9988 — 250 (270067)

GT Berry Japan Fund Lof50.10 — 321,800

German Scourtise Inv Trust PLC978 Une Le
80s 9988 — 250 (270067)

Grover Scourtise Inv Trust PLC978 Deb 38s
2917 — 25740

German Scourtise Inv Trust PLC978 Deb 38s
2917 — 2578 %

10976 Deb 58s 2916 — 2100 (380067)

111976 Deb 58s 2916 — 2100 (380067)

111976 Deb 58s 2918 — 2107740

Buschton Investment Co PLC988-1778

Buspod inv Deb 58s 2918 — 2145 (270087)

Investme Cachel Trust PLC978 — 198

London 8 St Laverence Investment PLC078

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London 8 St Laverence Investment PLC078

59 — 25 (280057)

London 8 St Laverence Investment PLC078

107 — 210374 4 (170057)

Morisco Investment Trust PLC978 Deb 38s
2019 — 210374 4 (170057)

Morisco Investment Trust PLC978 Deb 38s
2019 — 210374 4 (170057)

Morisco University Trust PLC978 Deb 38s
2017 — 210374 4 (170057)

Morisco Investment Trust PLC988

Moritories Inves

renor Goernady Securities Trust LeiCrd 25p = 105
they Throughorton Trust(1983) PLD 12.6%
Diet 3th 2009 - E115 (2000)
Westerna to sub for Drd - 7009
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Se 2005 - E101 (2000)
Plights sted lesses lev Trust PLCino 25p - 25

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7/1% Cast Prif E1 - 600
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Unit Trusts M.A. G. Avancars Sensior Co's Feedbac Units - 22/VB Access Units - 36.1 (28/0487) M.B. G.Gold & Geograf Funding Units. - 71.3 (28/0487) (250c5)
Accum Units - 38H6
M.E. G. International Income Funding Units - 54.96
M.E. G. International Income Funding Units - 54.96 A.76
M.E. G. Japan Smaller Completion Funding Colors

Minee - Miscellaneous his of brights induded \$15 Anglo United PLCCnv Red Pri 10p - 99 108
Blacki Tin Co PLC10p - 91 5 8
Butterare RST LdPu2 - 94 2800687)
Buse Minley PLCCrd 10p - 98 5 5 8 100
100 5

100 5
Committeed Carl Felds PLC694% the Lin Six 67/62 - 552 - 77% this Lin Six 96/2004 - 272 (200-657) 51% thes Lin Six 96/2004 - 272 (200-657) 51% thes Lin Six 96/20 - 554 (260-657) De Severa Committeed Mirrer Lafold PR 380 70 Miseogure Copper Mines L/60rd Sak \$21 — 11 2 (260c67) Zantbia Consolidated Copper Mines Lofts' Ord K10 — 26

i de la companya della companya dell

Mines - South African General Mining Union Corporation 12.5% Union Suboro Comp City Debis(Intit) 927 = £100 Gold Felics Coal LGR0.50 = 650 Labowa Patrusan Mining Ld Child Rd.01 (Min Pd-2/11/67) = 1500 700 200

Ord - \$17 Off No. of bargains included 3060 Aran Energy PLCted Lett.20 - ET.07 130 1.03 1.04 p 90 1 2 3 4 5 BOM Hids PLCTHS Car 2nd May Dan 3 1988 - 25509 ETIEST PERMISSION CO. PLCTHS TO purchase ADS - 28 630 - 29 (200687) 8% Cum 2nd Pri 21 - 79% (200687) Burnath Oli PLC71% Care Red Pri 58; 21 - 61 (200687)

61 (280-67) Cator Group PLC Ord 50p - 370 85 50 4.695 5 395 400 400 10 Contbol Holdings PLGOrd 50p - 318 (270-87) Great Western Resources Incides of Cons. Str. NPV - 1780

Shall Transport Trading Co PLCOrd Sha (Br) 259 (Sp. 178) - 210.3 (260-67) Texaco International Financial Corp. 5% Seg.S Cw Gart In Ser. 8148 - El3 (270-67) Texat-Compagnio Processor Des Petrolas 18 Sha FRSO - FR348 Property No. of bargains included 1005 Affect London Properties PLC51/% Chw Rad Prt 21 (FpIPAL-2011/87) = 55 b Britannie Group PLC0rd Sp - 120 7 School Email PLC9.57%, fet Mig Deb Stit 2026 - ES1

2026 - EST
Coltal & Coursee PLC5%% Cnv Pri Et - 48
ESC-97)
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- 223% % % % 8
94% Une Ln Six 91-95 - EST (260-687)
(Jannecot Allanca Hidge Ld 94% 1er hig
Dub 98: 65/98 - EST
75% Une Ln Six 50/9 - 23 \$ (270-687)
(heaterfald Properates PLC5%25%(Met) Cnv
Cum Pri Et - 85%
CNy 8th Entries PLC7% Cnv Une Ln 38x
2005/06 - E110 (230-687)
(Galmente Allancestments Ld 9% Une Ln
Six 91-96 - ESO Colman(E. Alacijinvestments Ld®% Une Le Sik 9198 - 250 Chalgon Combined Secs Ld®%% 1st Mag Deb Sik 8991 - 290 (20067) Dense Exastes PLC 10%% 1st Mig Deb 86k 2012 - 2555% 2012 - 285% Great Portland Estates PLC9-5% 1st May Deb Six 2016 - 2025; 4: 5 % 5 % 1 Great Property Co PLC0rd 19025 - 121.8 Graycost Group PLC12-5% Uns La Six 9582 - 2103 (20067) Hemmericon Prop Invisibler Corp PLC0rd 25p - 470 5 83 80 Land Securities PLC0s. 4 445 (20067)

- 470 2 53 50 Land Securities PLO9% 1st Mig Deb Site 8843 - 2830 7 1/2 1st Mig Deb Sit 9146 - 286 230-279 (230c57)
9% 1st liting Deb Sai, 96/2001 - 2383/6
16% 1st liting Deb Sai, 26/25 - 2385/6
16% 1st liting Deb Sai, 26/25 - 2385/6
16%% Una Lin Sai, 26/27 - 2385/6
16%% Una Lin Sai, 26/27 - 2386
Landon-li-Prov Shop Centres(Hidges)\*\*LC 16%
1st liting Deb Sai, 2325 - 2355/6 (260c37)
Landon Shop Property Trust PLC 10% 1st
16/25/25/1
11.825% 1st Mitg Deb Sai, 2018 - 21086/
(270c57)
Landon Property-li-Provensionary PLC 10% 1
1sting-Deb Sai, 2017 (23076-7/1/66) - 2381/6 Free State Cons Go 511.2 125 Geometrals A\$0.496

(27/087)
9744 1st Mag Deb 86; \$7/8002 - \$9616
(36/067)
1074 1st Mag Deb 36; 2094 - 21646 %
8% X 9% Use Le 88; 2909/06 - 250% (380987) 9% Use Le 88; 2909/06 - 250% (380987) 91/46 Chv Uns Ln 88; 96/2000 - 2180 (270687) 96(Ny Setauties PLCCap 30p - 180 (activ Inscription Properties L60vd 80p (6x Rights) - 150 (80087) Com Red Chv Prf 21 - 950

9.5% 1st Mig Deb Six 2016 - 287% (270287)
Peal Hidgs PLC10% Cum Pri Sign - 57 (250287)
Peal Hidgs PLC10% Cum Non-Mig Pri 21 - 1000
9.5% 1st Mig Deb Six 2011 - 295% % % Naw 97% 1st Mig Deb Six 2011 - 295% (270287)
Power Corporation PLC New Ord 1458-16 (Ppl.K-2011167) - IED 95 0.86
Properly Security Inv Thist PLC Ph Cum Pri 21 - 10100 4569
Rosehbagh Greycost Setates PLC11% 1st

ET - 1010 49/40
Recenhaugh Gruycost Bristos PLC117h 1et
Mig Deb 58h 2014 - E10396 4
St. Michael Properties PLC8.8% Cum Smil
Pri 51 - 102% (270457)
Stehanbury PLC new Ord 21
(PptL4-27/11/67) - 123 5 40 3
Serfing Bettees Ld8% 1et Mig Deb Sik 88/88
- 238

- 224 Town Cantre Securities PLC9% One Unit Ln 8th 95/2000 - 2155 (280-257) Wylden Ciny of Landon Properties PLCOnd 25p - 135 40 40 1 50

Widong Eates PLCOrd 10p - 70 Singapore Pera Rubber Beares PLCORK Sp -45

Railways its or the second (CSX Corporation8ha of Cont 8tk \$1 = £14 % 8 24 (280c87)
\*Canadian Pacific Lid Ond (less Lidnit/mierch transf) of NPV = (2.70148 (280c87) (New Suransids Railway CoPlety 4th Contic Date Salignt Gid by (C.P.) = £35 (230c87) (author Canadian Railway Co Canadian (270c87)

Shipping No. of bargains included 171
Grate Shipping PLC"A" Non.V Ord £1 = 880
(280087)
Purifurular & Odental Steam New CoSNs Cum
Prid Sec. = 544
Wartents to plurchate Old Set. = \$10 30 30
(280087)
Turnbul Scott Holdings PLCHow V."N"Ord £1
= 420

Utilities No. of bargains included 29
American Information Tectra. Corp.She of Corn Sct. \$1 + \$87K\$
Barton Transpon PLCDfd 180p = 708
Arstol Charmiel Bisip Repairant PLCDfd 10p = 16 7 8 9 20

- 16 7 8 9 20

Selectione Décit & Redway CoPri Unite - 298 (270c87)
Instroom Beignire V(Br) (Con 97) - B1465.454286 (270c87)
Islandreste Ship Canal Collis Ferp Pri 21 - 390 (250c87)
Islandreste Ship Canal Collis Ferp Pri 21 - 390 (250c87)
Islandreste Ship Canal Collis Ferp Pri 21 - 390 (250c87)
Islandreste Ship Canal Collis Ferp Pri 21 - 245 90 5 65
31 % Red Date San 70c8 - ESS X X (250c87)
ISLANDREST Instruction of Company of MEV - 560% (270c87)

Water Works
No. of bargains included?

Bournemouth & District Writer Co.3.5%(Printy ShyCome Ord Sit. - 1120 (280087)
Cambridge Water Co.3.5%(Frinty ShyCome Ord Sit. - 1120 (280087)
Cuffee Valley Water Co.3.5%(Frinty ShyCome Ord Sit. - 1120 (280087)
10% Red Date Sit. 98/88 - 294
2006 10% Red Date Sit. 98/88 - 294
East Anglain Water Co.3.5%(Frinty ShyCome Ord Sit. - 1186 (280087)
Easter Surrey Water Co.4.2%(Frinty ShyCome Ord Sit. - 2205 (280087)
Easter Water Co.3.5%(Frinty ShyCome Ord Sit. - 2205 (280087)
Easter Water Co.3.5%(Frinty ShyCome Ord Sit. - 2205 (280087)
Easter Water Co.3.5%(Frinty ShyCome Ord Sit. - 2205 (280087)
Easter Water Co.1.1% Red Date Sit. 2012/19 - 2102 (280087)
12% Red Date Sit. 2010 - 2110% (280087)
Nevrosatio & Getaerhand Water Co.3.5%(Frinty ShyCome Pri Sit. - 224 (280087)
12% Red Pri Sit. 94/86 - 286 (270087)
North Surrey Water Co.5.5%(Frinty ShyCome Sit. - 2200 (280087)
19% Red Date Sit. 94/86 - 286 (270087)
19% Red Date Sit. - 228 (270087)
19% Red Date Sit. - 228 (270087)
19% Red Date Sit. - 228 (270087)
13% Red Date Sit. - 238 (270087) Water Works

**USM Appendix** 

Med. of bergeins included 1398
American Plastic Technologies Inc.Strs of
Com Std 8.001 - 81
American PLCCum Pig Car Red Pri 1997 1p -Aveca PLCCum Pig Cav Red Pri 1997 1p - 70

Before Hawas Group PLCNew Ord 10p (PpfLA-671/87) - 100 5

Blemechanics international PLCOrd 5p - 28

Colorgen IncShe of Com 3d(\$0.01(R-stricted Transfar) - 35

Cramphorn PLCOrd 5p - 710 (270-87)

Explaura Holdings PLCOrd 5p - 29 30 1

New Ord 5p (PpLA-3501/87) - 37

Fargatroots Group PLC12% Cav Une Le Sits 8287 - 21109

Sibbs Mew PLCOrd 25p - 250

Goodneed Print Group PLC7% Cav Cam

Red Pri £1 - 130 1 5 6 (270-87)

Harvitre Sweety PLCOrd 5p - 710

(230-287)

"A" Lim Yig Ord 25p - 875 (280-687)

Horitry Group PLCOrd 5p - 145 50

Johnson Fry PLCOrd 5p - 145 50

Johnson Grup PLCOrd 5p - 73 (280-687)

Marcol Group PLCOrd 5p - 73 (280-687) Participy Group PLCOrd 5g - 215 7 20 5 30 RKF Group PLCOrd 10p - 106 Randsworth Trust PLC7% Curn Chy Red Pri E1 - 80 5 % 8 90 2 Refet PLC5 125% (Neg Chy Curr Red Pri E1

Review PLCS 125A (New Constitution PLCS 125A (New Constitution PLCC) of 18p - 200 (230C87)
Segreto Hidgs PLC7.75A Circ Curn Red Pri 51 - 130 (250C87)
Security Anchives (Hidgs) PLC 0rd 20p - 220 Security Archives (Hdgs) PLCOrd 20p - 220 (260c57) New Ord 20s (FpLA-2011/87) - 180 3 5 Sheid Group PLC5.84% Net Chr Curin Red Pri 21 - 899-99-99 Signes International PLCOrd 10p - 75 52 Splash Products PLCOrd 10p - 77 Stanfope Properties PLCNew Ord 25p (FpLA-12/11/87) - 160 60 1 2 3 3 8 5

The Third Market Appendix Kemp (P.E.) Hidge PLCOrd Sp - 83 5

RULE 535 (4% (a% Regular marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in ondon and dealings are not recorded in the Official List.

rfoyte 200.024¢ Ubi-Price C32012¢ orn Securities 37¢ 40¢ 2¢ 3¢ 5¢ 32 3 4 5 7 Accord Securities 376 400 20 30 30 30 10 12 3 Abertson's Inc £145 Abertson's Inc £145 Abertson's Inc £145 Alliance & Leicoster 10 ac 1991 964 Alliance & Leicoster 10 ac 1992 1004 Altel Corp 310 (22/10) American Barrick Resources Corp Com NPV C5£136 460 Arguet Exploration 2506 112 (27/10) Arguet American Rotterdam Bank F1 60.A Arguet Foundation Inv 520 (28/10) Arapol Exploration 250¢ 112 (27/10)
Arapol Exploration 250¢ 112 (27/10)
Araberdam-Roterdam Bank F1 60.4
Assis Foundation Inv 52¢ (28/10)
Bankardam-Roterdam inv 52¢ (28/10)
Basic Resources Int (Bahamas 19 (28/10)
Basic Hill Minerals ASO.15¢ (28/10)
Basic Hill Minerals ASO.15¢ (28/10)
Bratish Columbia Products (315-35%
Gas.F. (Thomson-C.S.F.) FF- 715-9384 720
738 93.3 750 60 65 95 809 749 812 694
Centur Mining & Exploration ASI.359 1.778
(26/10)
Central Richard Gold Mines 8 (28/10)
Central Richardam Gold Mines 8 (28/10)
Central Richardam Gold Mines 8 (28/10)
Central Richardam 22¢ (7/10)
City Developments S33½ (22/10)
Cons Petroleum Asstralia 5
Daicel Chemical Industries 761.2 17
Dalaloppon Screen Manufacturing 850¢ 85¢
92 (a) 08 800 63.7 55 78 88 68 85 9 (27/10)

relopment Bank of Singapore \$504g Nex ASO.5 0.55 0.6 (28/10) Du Pant (El) de Nemours 38404 8456 Energy Oll & Gas ASO 304 0.314 Forest Laboratories 9256 (27710) Free State Cons. GoldMisse 20 km au

Geometals ASO.49¢
Golconda Mirraits 20
Golden Valley Mines ASO.64
Genes Patch Mining ASO.65
Greenbash Tin 439-622/10)
Greenvale Mining (SO.05) ASO.152 (23/10)
Groupe Bruscelles Lambert BF/296,378.067¢
Hank Lung Development NKSS3.7 (28/10)
Hasenm North West 6/2 (28/10)
Hasenm North West 6/2 (28/10)
Hasenm North West 6/3 (28/10)
Hasenm North West 6/3 (28/10)
Hasenm Ranch West 6/3 (28/10)
Hasenm Ranch West 6/3 (28/10)
Johan Mining (ASO.20) 50 (28/10)

Kredklassen NK 184 075 (26/10) Kulim Malaysta and 456 (26/10) Latarge Corp 5371<sub>2</sub> Little River Gold Fields NL ASO 84 Little River Gold Fields NL ASO BA
Massakilla Electrical Industrial
Y1745.60,1820.671,280,1905.83
Mid-East Misserals 30th (28710)
Missubshi Heary Indr Y565, 70, 85, 90, 605,
610.22, 614.47, 615, 625, 630
Moent Carrington Mines 1250
Murphy Oil Corp \$260 (28710)
N.Z. Forest Products NZ53.92
National Electrophics (Consolidated) 5th National Electronics (Consolidated) 56
HKS0.59
HKS0.59
Automale-Mederlanden CVA (FL2.5) FL494
49.356 501d FL48.15, 48.45, 49,
49.05,494,
New Town (N.T.) Properties HK\$3.35
Night Hawk Resources 30 (29/10)
Rhugini Mining 2256 A\$6.26 6.36
North Filinders Mines 5000 A\$12.46 A\$11.408
(23/10)
Cosmerting Int 138, \$2.0, 26 (27/10) (23/10)
Oceaneering int 138, \$2.0, 2½ (27/10)
Oil Search 62¢ 55, 57
Glimet Invests 18 (22/10)
Palabora Moling R334 (28/10)
Pan Australian Mining 108 (28/10)
Pan Australian Mining 108 (28/10)
Pan Engry 2½ (26/10)
Plonser Electronic Corp Y2090, 2093, 42, 2120 2120
Plenty River Mining Cn 6½ (28/10)
Poseidon 1630 140, 45, 48, 483, 912
Qualur State Core E10½6 (22/10)
Regal Hotels (Holdus) HK\$3.86 (27/10)
Regal Hotels (Holdus) HK\$3.86 (27/10)
Schering-Plough £22½6 240 (27/10)

Schering-Plough £22½¢ 24¢ (27710)
Sky Line Epiorun C\$104¢ 105¢ 1012¢
Sociate Nationale Eth Aquitaine Fr266¢ \$45.95
47.43 Fr266 68 69 70 72 751₂ 79 86 87
91.207 94.275 95.169
Sonora Gold Corp 480¢ (23710)
Souther Corp \$50¢ (23710)
Southerst Gold Mines NL6 A\$0.152
Equate Gold & Minerals 22 (27710)
Suntitions Metal Inds 7303.27 (27710)
Tanget Petroleum 42¢ 50.86 (28710)
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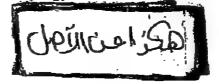
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### **WORLD MARKETS**

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	Base values: Dec 31, 1986 = 100 Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackennie & Co. List 1987 New York variest closed at 14.00ths. Joseff time October 28 and 29. Latest priges were surgolished for this gelfilm.		### John Deld		the Year of Table 279 feet 422 Laurentina Unit Tot Magazint Lini (Magazint Magazint Magazint Magazint (Magazint Magazint
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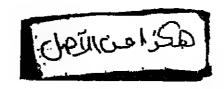


Financial Times Saturday October 31 198

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The LAS Group +204 ek of Canada Fds. Managers Limited. \*\*\*\*\*\*\*\*\*\*\* **主 自制 国 越疆。南山岭山南部** Royal Landon Unit Tst biges List Royal Lid Hee, Colchester CIX 1844 American Groots 49.4 Earthean Groots 52.5 GB (score 58.8 GB (score 58.8 [[4]] 法公益范 Equity & Law Amersham Road, High V UK Egarties Pond Higher Int. Fond Property Fond **ESSTEPLOS STR**ES SESTÉS POSTE 027577 STATES LEADING E techit | The control of the 01-66 The control of the co +154 +157 +157 -1457 

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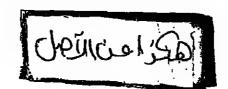
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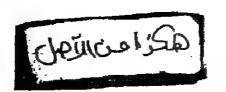
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# **FINANCIAL TIMES**

Saturday October 31 1987



# World equity markets rise again

continuing pressure on the dollar.

A measure of relief was felt
internationally that the Bank of
England had persuaded Mr Nigel Lawson, the Chancellor, not
to go ahead with the British Petroleum issue without a safety
provision.

The Bank's idea to offer a

provision.

The Bank's idea to offer a commitment to buy BP shares from any hard-pressed underwriter or private investor at the much reduced market price impediately instilled one-flowers. mediately instilled confidence, not only in London but also

A successful start to dealing in BP shares was the centre-piece of a broad-based recovery on the London stock market which had already been bol-stered by a rally in Tokyo. The Nikkei index rose more than 700 points, its third largest daily

rise.

The FT-SE 100 index closed 67.8 higher at 1,749.8. Turnover was concentrated in BP shares, with about 100m changing hands in the first half-hour after dealing in the partly-paid shares began yesterday afternoon. The partly-paid price closed at 85p, well above the 70p at which the Bank of England has offered to buy back the shares.

November with ministerial talks taking place soon afterwards wards.

Mr Gerhard Stoltenberg, West Germany's Finance Minister, said yesterday that the Bundesbank had helped stabilise the dollar through heavy intervention and by its interest rate policy. Mr Karl Otto Poehl, president has offered to buy back the shares.

On foreign exchange markets wolatile week on a calmer and the dollar remained under more positive note in spite of pressure in spite of sporadic central bank intervention. In

in the US budget deficit were a pre-condition of any such talks, but added: "There is a lot of work going on in order to get a sensible and constructive pack-

age."
The White House and the US Congress face a three-week deadline to agree a reduction in the deficit before the automatic provisions of the Gramm-Rud-man law come into effect. man law come into effect.
Such an agreement could be
followed by a meeting of senior
Group of Seven officials in late
November with ministerial
talks taking place soon after-

FT Index Ordinary Share, hourly all-time high 1926.2 (16.7.87) 1360 O Days Close

supply targets.

On Wall Street, there was some disappointment that the Dow had not managed to close above the key 2,000 level. A strong opening rally gave way to caution later as institutional investors turned more cautious ahead of the weekend.

They are concerned that it would defend the franc's parity in the exchange rate mechanism had only a limited impact. Some senior European moneatrong opening rally gave way to caution later as institutional investors turned more cautious ahead of the weekend.

They are concerned that it would defend the franc's parity in the exchange rate mechanism had only a limited impact.

Some senior European moneatrong opening rally gave way to caution later as institutional investors have feed how.

Investors have faced huge such move, however, could be falls on two Mondays in succession and did not appear to be entirely convinced that a third Black Monday could be direct implications for the Europaldad

The dollar, which faced heavy losses earlier in the week, closed in London at DM1.7280, unchanged from Thursday, Ster-

ling rose fractionally to \$1.7220 from \$1.7205.

In New York currency markets, it appeared to be a widely accepted assumption among traders that the US Administration had decided to let the dollar dec

tion had decided to let the dol-lar drift lower, hoping the slide would not unnerve the markets or drive off foreign investors. They said it was much too ear-ly to judge whether the gamble would pay off because they ex-pected the dollar to fall further soon. Against this background, bond prices eased by about 4 of a point and UK government bond prices closed ½ a point lower after the Bank of England had supplied £800m in glit tran-chettes.

Meanwhile, strains in the European Monetary System per-sisted. A formal statement from sisted. A formal statement from the Bank of France that it would defend the franc's parity in the exchange rate mechanism had

in the system in the near future. They are concerned that any

Changes in EMS parities have direct implications for the European Community's farm price subsidies and for its budget, both of which are at present the subject of intense wrangling between supports.

# Berisford withdraws rejection of ABF bid

DIRECTORS OF S&W Beris-ford, the diversified sugar pro-ducer, yesterday backed off from their previous strong re-jection of the £767m cash takeover bid from Associated Brit-ish Foods, the milling and

baking group.
As a result of the stock market crash, they will not give share-holders any official guidance on whether to accept or reject ABF's 400p cash offer, which compares with yesterday's clos-ing price of 371p, up 1p on the day. The board said it was un-able to make a recommendation under the circumstances. under the circumstances.

The directors said they had made no decision in respect of their own holdings, which total

Despite failing to make a firm recommendation. Berisford said it remained convinced that the underlying strength of group businesses provided ex-cellent prospects under present

In addition to owning British Sugar, the beet refiner which dominates the UK sugar mar-ket, Berisford is involved in commodity dealing, property and industrial and financial

ments."

Even if ABF secures a majority of Berisford shares by next Thursday, the first closing date for the bid, the success of its offer is not assured.

No decision has been made investment dealer.

for is not assured.

No decision has been made on a possible reference to the Monopolies and Mergers Commission, which in February thew Brown, the takeover bids for Berisford by Tate & Lyle, the British cane though the acquisition has not sugar refiner, and Ferruszi, the Italian agribusiness conglomerata.

In a third bid, Scottish & New-castle Breweries this week secured its £186m takeover of Mathewall Brown, the Blackburn-based brewer, although the acquisition has not yet been cleared by the Office of Fair Trading.

Betails, Page 8

nearly 23 per cent of shares.

They did not rule out changing their advice if Berisford's share price recovered before the bid closed.

Despits falling to make a firm.

### Continued from Page 1 **BP** spree

the flop. Some 270,234 people applied for a total of just 17.7m of the 2.2bn shares available. Remarkably, institutional investors - unnamed - also applied for 4m shares in the interna

All the rest of the stock was left with the underwriters, some of which were expressing relief yesterday that the shares had opened at a price higher than had been feared earlier in the week. The total notional under-writing losses on the issue at yesterday's closing price are just over £700m.

It became increasingly clear yesterday that the decision by Mr Nigel Lawson, the Chancellor, late on Thursday night to proceed with the BP share offering had been reached only after a bitter confrontation with

the overseas underwriters, no-tably those in the US.

Speaking on BBC Radio 4's

Today programme, Mr Lawson
said the problems with the un-derwriting had arisen in finan-

City.

I think that is a credit to the City of London, and it will certainly be something that I shall have to reconsider when I consider when sider whether indeed in future privatisations we do want to have overseas underwriting."

Worldwide Weather

# Ford offers radical pay deal

FORD MOTOR yesterday ofform mortur yesterday or-fared its 32,500 manual workers a radical three-year pay and conditions package incorporat-ing wide-ranging changes to working practices, the introduc-tion of quality improvement typups akin to quality circles and the eventual harmonisation of the terms and conditions of blue-collar workers. While two-year agreements

have become relatively common in recent years to allow significant changes to working prac-tices, three-year deals are still a

lices, three-year deals are still a rarity.

The company said negotiations on its offer of a 4½ per cent increase in grade rates from November 24, followed by inflation-linked increases on that date next year and in 1989, would be dependent on the unions' agreement to discuss a unions' agreement to discuss a set of far-reaching changes to

working practices.

Mr Mick Murphy, the Transport and General Workers'
Union national automotive officer and leader of the union side, said the company's proposals were "revolutionary."

The unions will consult their members to decide whether any of the changes are negotiable. of the changes are negotiable before replying to the company on November 11.

The company's written offer

said improvements in productivity over the past 18 months as would require skilled workers a result of the two-year agreement from 1965 allowed for cautious optimism. However, it warned the unions: "We cannot A joint commitment within accept your contention that national and local agreements headcount radiction has some to a sustained quality improve-

would be completely interchangeable with semi-skilled unions, to introduce harmonworkers.

A wide-ranging change to the 
role of supervisors, centred on 
the creation of "group leaders" to assist supervisors and co-ordinate teams of manual workers. The group leaders, who 
would be paid an additional 10 
per cent on their grade rates, 
would be responsible for allocating work, operator training. per cent on their grade rates, would be responsible for allocating work, operator training, and quality and production control. They would be recruited on the basis of competence rather than seniority and could west German plants.

far enough: we need to be more a fifteent to be competitive and that will inevitably mean further reductions in manpower. The company outlined a set of measures to improve competitiveness, including breaking some of the traditional demarcation lines. some of the traditional demar-cation lines.

Skilled workers, who tradi-tionally carry out maintenance seen absences.

tasks, may have to work on the production line as well, possibly in work teams where they ing party, incorporating would be completely inter-changeable with semi-skilled unions, to introduce harmon-

2,308 claims for property lost during the turmoil of the over-throw of Tsarist Russia. The task is likely to prove an accountant's paradise. A price has to be put on the dramas and dilemmas of a past generation. How much for a lost ear? What was the cost of a cotton mill or tin of condensed milk in 1917?

The payments represent 10 per cent of the face value on bonds registered with Price Waterhouse before March 31. More

62p, has been sent to Cawongla, via Kyogle in New South Wales, Australia, in return for a single bond. The largest, in respect of several hundred boxes of bonds from an unnamed company, is worth about £900,000. Others are being sent to three con-vents, numerous local councils

and charities and at least one Beverend Mother Superior. The property claims are based on 12,000 records com-piled by the Foreign Office un-

files. There are people who lost everything - their families, their

assets, everything, said Mr Leslie Cousins, the partner in
charge of the operation.

One fading letter carefully
catalogues belongings lost in
fleeing from Russia. It includes
two bottles of 1840 Cognac (costing 600 roubles) and seven and a
half bottles of methylated spirit
(worth 375 roubles).

Markets

Until the past couple of weeks
a rise of 67.8 points on the FTSE 100 of a Friday would have
seemed a pretty euphoric end to
the week. After the recent fallswould presumably show up in
the PSER but only in the curThursday and Friday were

(worth 375 roubles). The main difficulty for the ac-

MR NORMAN TEBBIT is to re-

week while the search contin-ues for a successor.

Mr Tebbit had been keen to quit the job to take up various business directorahips which take effect this coming week.

However, after the recent tur-moil over a successor, Mrs Mar-garet Thatcher persuaded him yesterday morning to stay on for a few more days to enable a smooth transition.

the Prime Minister this week that he did not want the job. There has been intense speculation at Westminster about who will become party chairman. Among those mentioned have been Mr George Younger, Defence Secretary, Mr John Patten, Minister of State at the

# **Capital** victory after

70 years

A TEAM OF London accountants yesterday won a small victory for capitalism against the revolutionaries who overthrew Imperial Russia almost exactly 70 years ago.

By sending out nearly 3,800 cheques to Russian bond holders around the world, Price Waterhouse, the accountancy firm acting on behalf of the UK Government, has unfrozen assets

acting on behalf of the UK Gov-ernment, has unfrozen assets held in a state of abeyance since the Bolshevik revolution. However, yesterday was only the beginning Next week the firm turns its attention to the 2308 claims for property lost

tin of condensed milk in 1917?

The cheques dispatched already are interim payments for British holders of bonds issued prior to November, 1917 and guaranteed by the Imperial Bussian Government. Drawn from a Bank of England account, the sums are being paid from a fund set aside by the Soviet Union in 1986, worth about £30m.

is promised - perhaps up to 20 per cent of face value - when property claims have been totalled.

The smallest payment, worth

basement of Price Waterbouse offices in Victoria, London, they read like a tale of misery and desperation.
"All human life is in these

The main difficulty for the accountants is choosing what rate of exchange to use. Once Imperial Russia was overthrown, the rate of roubles to the pound rapidly plunged from the hundreds into the millions - making recent movements on the world stock exhanges look like a game of Monoroly.

### Tebbit to stay Tory party chief for a week

By John Hunt

main as Conservative Party Chairman until the end of next week while the search continsmooth transition.

Mr Tebbit had felt that Mr Pe-

Mr Tebbit had felt that Mr Peter Morrison, Deputy Chairman of the party and Minister of State for Energy, could have taken over temporarily.

Mr Tebbit is shortly to take up a non-executive directorship on the board of Sears Holdings, Britain's largest retail group. He will also be on the boards of Blue Arrow, the employment services group, and BET, the international services company.

Mrs Thatcher had wanted Lord Young, Trade and Industry Secretary, to be the new chairman in addition to retaining his departmental responsibilities. But there was strong opposition from Lord Whitelaw, Leader of the Cabinet.

As a result Lord Young told the Prime Minister this week that he did not want the ich.

Home Office, Mr Peter Brooke, Paymaster General at the Trea-sury, and Mr John Cope, Minis-ter of State for Employment.

THE LEX COLUMN

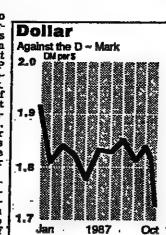
# **Selling BP to** an Old Lady

It takes an adroit Chancellor to present as a triumph an exer-cise which has cost investors nearly a third of their money in the course of an afternoon. But then the handling of the BP stake has been marked by apstake has been marked by ap-parent adroitness throughout. Shares bought in the depths of 1974 have been held throughout a 13-year bull market and un-loaded right at the top. And, should the market fall back far enough, the Government has taken the option to buy the stake back at a profit of 50p per share.

ty market allowed the new part-ly-paid stock to find its level re-markably quickly at a premium markably quickly at a premium of about 28p to the old. The 70p floor provided by the Bank of England has evidently concentrated minds on the stock's speculative appeal. It appears that as much as a third of the US allocation may have been placed with US buyers yesterday and the Japanese underwriters seem seavely to have speculative appeal. It appears rent year when the PSBR is unthat as much as a third of the US allocation may have been placed with US buyers yesterday and the Japanese underwriters seem scarcely to have sold at all. The British public, meanwhile, has plainly been stirred by all the publicity and it looks as if the 270,000 unfortunates who subscribed for the ofnates who subscribed for the of-fer may be joined by at least as many private investors again through the after-market.

based on the attractions of the stock as a highly-geared option. But, in fact, paying the remaining 210p is not an option but a liability which the Government is prepared to pursue through the courts. If the fully-paid fell far enough the partly-paid could end up with a negative walue.

The average punter will probably calculate more simply that the final dividend of 8p net repthe final dividend of 8p net represents a pretty good return on a price of 85p and that in 10 months' time, when the second instalment falls due, there is a good chance the market will have recovered. And so there is; but it is also possible to aketch a scenario in which the US goes into a real recession next year, demand for oil collapses and demand for oil collapses and BP shares turn out to be down-



Americanism. There is no ques-tion that the US underwriters many private investors again through the after-market. It is not clear, though, how safe a bet the partly-paid will be when the 70p guarantee has been withdrawn. Previous guesses at a premium of 20p, based on the time value of the later instalments, are being replaced with higher figures based on the attractions of the stock as a highly-geared option. But, in fact, paying the remaining 210p is not an option but a liability which the Government commercial interests. deserved their losses. Combin-

commercial interests.

Finally, what of BP as a company? As things now stand the damage seems limited. The £1.5bn is in the bag and, if BP will not be the most popular name in the world's equity markets for the next measurement. kets for the next year or two, the balance-sheet now leaves room for acquisitions to be financed through borrowing. Indeed, in-sofar as oil assets are available at stock market valuations the company's ambitions could be more easily achieved than be-fore the market crash.

strated a beginning of a return to confidence. The solution to the BP problem was one boost to morale and the expectation of a confident Autumn State-ment from the Chancelior on

Tuesday was another.

It would be wrong, however, to put too much weight on the thin ice of the market recovery just yet. Leaving aside the fundamentals a rally of any size could quickly bring out those sellers who failed to offload stock in the first plunge. And

there is still a high risk that the tragile calm in the equity mar-ket could go badly wrong once True, the economic outlook has not been badly damaged so far by the fall in the markets. If the international difficulties can be quickly and satisfactorily patched up the share market should be able to recover some

should be able to recover some way, with probably a consequent reversal in bond markets. The message coming from the currency markets, though, is much more gloomy. The dollar, which had held up reasonably well at the start of the stockmarket slide, has fallen sharply this week. Yesterday the end of both the week and the month should have had dealers squaring their books, thus lifting the dollar as short positions closed. But the dollar was weak again.

What foreign exchange dealers are worrying about - as they ers are worrying about - as th

ers are worrying about - as they have been for months - is the US trade and budget deficit. As each day passes without signs from Washington that the budget deficit is being sorted out, indeed without muck evidence that the politicians take the problem as seriously as the markets do, the dollar will keep felling. And there has been nothing to support the currency because the central banks' atbecause the central banks' at-tempts at intervention are so half-hearted as to have no effect and international interest rate differentials are too narrow to

with those props taken away only an agreement on the budget deficit will hold up the dollar. And the budget deal will need to make cuts of more than the \$23m ordained by the Gramm Rudman legislation, with commitments to further reductions letter the ductions later, too, if it is to calm the markets. If such a deal is tied up in the next week all is tied up in the next week all could be well once more. But if the dollar is left to fend for itself it will fall sharply, evenutally forcing the US authorities to raise interest rates to support the And affect all that is where it. And, after all, that is when

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## **Sun Alliance estimates** its storm bill at £64m

likely to rank second only to a hallstorm which hit Munich in hallstorm which hit Munich in July 1984 and cost about £510m.

Mr Ian McNeil, an insurance losses until the week after next.

Analysts reacted to the figures by cutting £70m to £30m from their pre-hurricane estimates of Sun Alliance's shares for contents insurance business.

Rut Sun Alliance's shares On that basis, gross losses for the five big quoted non-life in-

THE HURRICANE that ravaged south-eastern England two weeks ago will cost Sun Alliance, Britain's biggest household insurer, an estimated £54m in claims from homeowners and motorists, the group said yesterday.

Sun Alliance also forecast between £15m and £25m in claims for property damage and business interruption suffered by commercial policyholders. Stockbrokers' insurance analysts said the figures confirmed estimates that total insurance industry losses from the October 15-16 hurricane would be about £500m.

This means that among recent western European insurance catastrophes the hurricane is likely to rank second only to a hallstorm which hit Munich in

Royal Insurance, General Ac-cident and Commercial Union

the five big quoted non-life in-surance groups will reach an es-timated £250m. After allowing reflecting relief that losses will for money they recover from re-insurers, the net loss could be mates. N BIRMINGHAM the other day I enjoyed a full dress, strikingly well designed School For Scandal in the vasty arena of the concrete repertory theatre. On my way back to New Street station I paused by the old Rep and studied the plaque in memory of Sir Barry Jackson, son of a wealthy local merchant, who founded the Birmingham theatre in 1913.

Stirred by this, I sought and found the stage door in a grim back street, and asked for the manager. Kind soul, he led me onto the pocket handkerchief stage, now the preserve of amateur companies but formerly the most famous regional platform in the land. Here were launched the careers of Peter Brook, Paul Scofield, Eric Porter, Margaret Leighton and Albert Finney. Here was a bedrock of our post-war cultural reputation. Magic time.

An adventurous repertoire, bold productions, faithful audience, tomorrow's stars. How desperately today's regional theatre in Britain strives to rekindle the flame. The consensus of an intimate, idealistic regional theatre movement is undermined by the unwieldy concrete civic barns we have built for ourselves and by acute nerwousness at a time when new methods of mixed funding for the arts have reached a controversial transitional stage.

This week, a West End-bound revival of South Pacific has opened in Plymouth. The Royal Shakespeare Company is on tour in Carlisle. There is Shakespeare in Stoke, Wycherley in York, Schiller in Glasgow and Ibsen in Manchester. There are new young artistic directors at the Leicester Haymarket, the Birmingham Rep, the Derby Playhouse and the Bristol Old Vic. The Arts Council has announced substantially increased grants for theatres in York, Leeds, Newcastle and Sheffield.

And yet all is far from well. Any week now the Arts Minister, Richard Luce, will announce an inadequate 2 per cent increase on last year's Arts Council overall kitty of £128m. About £27m of that will go kitty of £128m. About £27m of that will go kitty of £128m. About £27m of that will go kitty of £128m. About £27m of that will go kitty of £128m. About £27m of that will go kitty of £128m. And £

The mood of public expenditure stand-still and cutback has made a mockery of the Arts Council's devolutionary ambi-tions. Instead, the big national companies have been punished, and everyone else have been told to increase sponsorship, fix more local authority money, and generally "wise up" to what Ian Brown, the Arts Council's drama director, calls "different" complexities.

It is all very well for the RSC to raise film in sponsorship from an insurance company. But the Birmingham Rep. to take a most favoured example of an Arts Council-subsidised regional theatre, can barely raise £20,000 this year on a city sponsorship drive that yielded £50,000 two years ago.

"In the old days you beat your breast and hoped the Arts Council would listen. Now we know the Arts Council is powerless to help. And we know too, that this Govern-ment is not interested in the arts."

The refrain, a familiar cry of the arts lob-by, might be credited to Sir Feter Hall, director of the National Theatre. In recent years he has berated the Arts Council for discarding its tetchy beggar's weeds and bowl and becoming "a willing instrument of Government

In fact the speaker is Braham Murray, joint artistic director of the Royal Exchange in Manchester, an outstanding regional theatre of the last 10 years and a prime example of the "centres of excellence" favoured in the Arts Council's controversial development manifesto of 1984, The Glory of the Garden.

That so-called "strategy for a decade," masterminded and committed to print by Mrs Thatcher's choice of Arts Council chairman, Sir William Reco-Mogg, clever-

# Look behind you!

ly embraced a radical devolutionary poli-cy, robbing the metropolitan Peters (and Trevors) in order to encourage flyaway re-gional Paula, to the tune of £5.5m. £2m of this went to Drama and £2.2m to the wilt-ing Regional Arts Associations.

Yet the Cork Report, an Arts Council-sponsored enquiry chaired by Sir Ken-neth Cork, last year concluded that the ef-fect of the strategy, in real terms, had been to restore the Leicester Haymarket and the Sheffield Crucible (two favoured clients) to 1978/9 levels of funding, while leaving most other subsidised regional theatres slightly less well off.

New realities are at work. In a speech in July, Richard Luce set out his (and the Government's) stall on the arts: the level of grant will increase by 2 per cent annu-ally for three years at least; in addition to

New, controversial methods of funding for the arts are at a critical stage. Michael Coveney examines their impact on Britain's once glorious regional theatre.

that amount, incentive funding will be available to mobilise more private sector money. Most offensive to the arts lobby was the Minister's philosophical homily attacking the welfare state mentality and lauding the performer's need to attract customers as the chief test of his or her ability to succeed.

No mention here of anything approximating to the old Royal Court 'right-to-fail' plea (made by the late, great George Devine in the mid-1950s), or even of the educative or moral value of art in the citizen's life that was a cornerstone of Sir Barry Jackson's credo. In this statement of Thatcherite radicalism there seemed embedded a twisted knife of revenge: on the 1960s, on the 'art is good for you' school of thought, on the very impulse behind the century-old fight to establish a National Theatre in which fif Luce could take faceting bureaugratic interest and, who knows, pleasure. Bernard Shaw, thou shouldst have been living at this hour to fight fast and Luce!

The rep movement was a nign-minuted Edwardian reaction to the commercial touring circuit, it caused a theatrical polarisation that has survived for 80 years. This Arts Council is anxious to obliterate it, but not necessarily for the right rea-

Jackson's Birmingham Rep, like the tea heiress Miss Annie Horniman's Gaiety in Manchester, was a complementary opera-tion to Vedrenne and Granville-Barker's 1904 repertory initiative at the Court in Sloane Square, the producing cradle of

Shaw, Galsworthy and John Masefield From these roots grew everything worth having in the contemporary British theatre: engaged playwrights; the Old Vic and Stratford Memorial theatres leading to the National and RSC; an intelligent post-Victorian acting tradition; new standards in interpretation and design. By 1935 there were 14 reps in Britain; by 1962, about 60. These are today's subsidised houses. The provincial touring harns have meanwhile declined.

In broad terms, it is now the rep standards that sustain our crumbling provincial theatre network. In the past 10 years, local authorities and sponsorship drives have restored to the nation such magnificent dramatic temples as the Theatre Royals in Bath, Plymouth and Nottingham, and the Bradford Alhambra. But these houses are blotting paper, not fountain pens.

Luke Rittner, the Arts Council's secre-tary general with a background in arts sponsorship, points to this new network with evangelical pride. But we must ask do not these theatres receive subsidised product from middle range companies that are an almost anomalous hangover from a previous nurturing ideology?

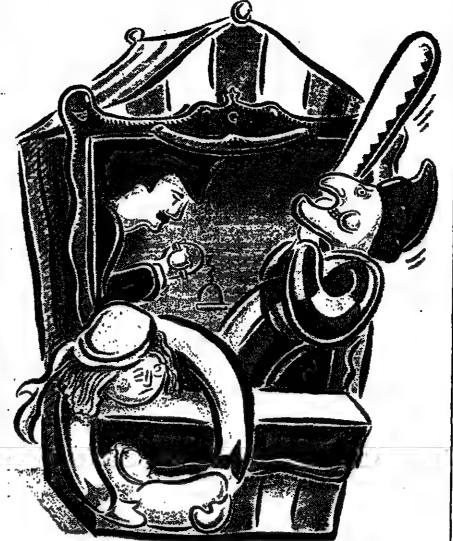
The Arts Council is now pragmatic and entrepreneurial where once it was, or declared itself to be, creative and responsive. This fundamental change of role, as yet barely perceived, could cause untold damage to our theatrical well-being. Whereas the Cork Report imaginatively proposed six national theatres to be established outside London, the idea has been modified and crushed into a "consortium" philosophy of shared productions in a given area. Ian Brown's proud prototype is in the south west, centred on the Theatre Royal, Plymouth.

The Royal, with an annual Arts Council grant of £243,000, is a sort of service station to the south west of England, with no clinching identity of its own. It operates merely as a bustling amenity with commercial potential. That, you are supposed to feel, will do. It is the apple of Ian Brown's eye.

There is also a new bussword: parity. This means: local authorities matching central government funding for the arts.

Braham Murray in Manchester represents the repertury ideal, now overtaken, of Jackson and Horniman. His colleague, the late Michael Elliott, turned down offers of the deputy directorship at the National, control of the Royal Court, and the headship of BBC TV Drama, in order to inaugurate the Exchange. Regional theatre mattered.

Murray Seals betrayed. Since settling in the Royal Exchange arena il years ago, the company has played to 83 per cent capaci-ty, raised £500,000 pounds in local and pri-vate funds for a second auditorium, and co-operated with Mobil Oit on a conspicu-ously successful new playwrights competiously successful new playwrights competition. (Everything, you might assume, Messrs Rittner and Brown could desire.) The work has been consistently interesting, often exceptional, bolstered by the artistic contribution to Manchestar life of such crucial thespian figures as Ian McDiarmid (a top line renegade from the RSC), Vanessa Redgrave, Janet McTeer (tomorrow's Vanessa Redgrave), Tom Courtenay, Edward Fox, Sir Michael Hordern, Julie Walters, and the most promising new directorial talent in British theatre and opera, Nicholas Hytner.



There is something wrong in our national and cultural priorities when Braham Murray states that in order to survive at all, the Exchange will either have to close for six months of the year or discover a millionaire in the mould of the RSC's Stratford Swan Theatre American sponant.

The Swan happened because the RSC felt a need to invent it. That is how theatre art comes about. Not by Arts Council edict or policy. "We are more interventionist now," said the spokesperson for the newly restructured Arts Council touring depart-

To be fair, the Arts Council touring de-partment is now actively involved in up-grading fringe groups like Cheek by Jow! (camped-up, small-scale classics) and Temba (new black writing) to middle-scale status. This intensification could yet have significant impact.

In the various instances of the Chester Gateway, the Duke's Lancaster, the Worcester Swan and, most notably, the Derby Playhouse under the newly ener-getic leadership of Annie Casteldine, the

withdrawal of central Arts Council funds has proved, arguably, beneficial.

has proved, arguably, beneficial.

But what about that favoured horticultural display? Clare Venables, artistic director of the Sheffield Crucible, was a beneficiary of Rees-Moggery. She declares that most of the exira money has gone on a Theatre-in-Education programme (highly successful) and inflation. She believes, too, that increased funding from local authorities and commercial sponsors will simply dry up if central Arts Council funding stops still. She gets very angry.

At the Birmingham Rep great things are expected of John Adams, an impresario in early middle-age who has, unfashionably, made a classic progression from invented touring company (Paines Plough) to modest regional outpost (Bolton Octagon) to second city breeze-blockbuster.

Birmingham Rep needs £200,000 over and above its combined Arts Council and local authority funding of £300,000 to carry out essential improvements both on and off stage. But Adams, nobody's fool, does not regard a standstill Arts Council grant

as a disaster. He could yet fight one of the most fascinating rearguard actions for re-gional theatre.

gional theatre.

In the early 1960s, the Nottingham Playhouse was designated the vanguard regional theatre, attracting the participation of John Neville, Peter Ustinov, Frank Duniop and, subsequently, Stuart Burge and Jonathan Miller. In the mid 1970s, its resurgence under Richard Eyre was a necessary response to a fossilised Royal Court policy. It was in Nottingham, with plays by Trevor Griffiths, David Hare, Howard Brenton and Ken Campbell going up the motorway for want of London interest, that the vital continuity of our national theatre - and, as it happens, National Theatre - was kept going. Playhouse is in the artistic doldrums, but it serves a community, is trying to balance its books, and will rise again.) Its ebullient activity in the mid 1970s was matched only by the Liverpool Everyman under Alan Dossor, whose unforgettable acting squad included Bernard Hill, Trevor Eve, Jonathan Pryce, Antony Sher, Nick Stringer and Barbara Dickson, with writing by John McGrath, Willy Russell and Alan Bleascale.

Most of the names in the paragraph above have been involved in leading British films, TV series and stage productions of the past decade. Nobody in London, after drama school, supported them. No-one in the Arts Council gave them bursaries. They learned their trades and made their names in the regional theatra.

Twas ever thus. No wonder that Richard Eyre, artistic director designate of the Na-tional Theatre, acknowledged his artistic roots — in Edinburgh, Nottingham and Cambridge — by avowing a policy of cour-tesy towards the regional theatre in an entesy towards the regional theatre in an en-couraging interview he gave recently. At least the National under Richard Eyre and David Aukin intends to heed the re-gions. Braham Murray in Manchester wel-comes this new regime, sensing a possibility of London exposure where none recently has been forthcoming ex-cept in commercial, frothy-farcical terms

David Aukin was, until recently, at the Leicester Haymarket, completing a West End and transatiantic deal on Me and My Girl while the theatre itself ran into £350,000 worth of debt. The success of Me and My Girl on Broadway has saved the Haymarket which, under the new artistic directorship of Peter Lichtenfels, is preparing to gamble yet more of its subsidised fortunes in a peculiar liaison with the London office of Broadway impresario David Merrick.

Cy Coleman's Nothing But the Truth will contain a 2250,000 Merrick investment and a chance of make or break for Leicester. The idiocy of this gamble - its barminess unchallenged by Arts Council approval of flirtation with commercial imperatives - could seriously damage other, perhaps equally curious, Leicester commitments to European and American avant garde manifestations.

Meanwhile, Leicester has played to under 50 per cent capacity for extremely worthwhile revivals of a rare Tennessee Williams and a screwball Broadway farce. This will not go down at all well with any Luce-talking bottoms-on-seats wallahs in the Arts Council offices at 105 Piccadilly, in London. But can we not afford - should we not shower in money - such a theatre with such a programme?

Adventure in any direction, even the wrong one, will always ask a price. Unless the Arts Council, on the taxpayer's behalf, is prepared to countenance and then perhaps meet that price, we shall be left with a theatre bereft of civic pride, shorn of international significance and deprived of any social value whatsoever. Devolutionary apparatchits must be mindful, as they go from meeting to parting, of what it is they are actually proposing to devolve. For spectest things turn sourcest by their deeds;

deeas; Lilies that fester smell far worse than woods

WHO WOULD ever have thought that new issue under-writers would rate the front page spiash? They have starred prominently in this week's on-off on BP sage. But their brief rise from obscurity could prove

unfortunate. New issue underwriting -New issue underwriting more strictly, sub-underwriting has long been one of the City of London's cosier and more profitable corners. So well-established has the cartel been that until now it has even managed to survive Big Bang more or less

It has taken BP to highlight its inadequacies. Even then, London's underwriting system might have coped more smoothly but for the clash of cultures with the overseas underwriters, who have had their fingers bad-

The front pages may have been full of stories of under-writers making unattributable submissions to Mr Nigel Lawson with, curiously, nobody willing to stand up in public and be counted as a backslider. In sharp contrast, the British investment institutions who took on the bulk of the sub-under writing commitment have made it plain that they have had no wish to wriggle out of their obli-

gations.
This is stirring stuff. The insurance companies and pension funds up and down the land have been standing by their agreement. The pre-Big Bang spirit of My Word is My Bond? lives on. Those shifty merchant banks may have been hiring teams of lawyers to help them exploit loopholes and escape clauses in the BP underwriting long-term institutions are rock-solid in their dependability in

time of crisis.
Yet, without wishing to seem cynical, I feel I should gently point out that over the years the institutions have done tremendously well out of the traditional underwriting system. Their wish to preserve it has a strong economic motivation.

The normal mechanics of the process are that merchant banks underwrite an issue early in the morning of 'impact day,' but with the help of brokers immediately set about laying off the risk to several hundred sub-underwriters, who are the various investment institutions.



# Stardom could prove unfortunate

The BP issue has brought old subunderwriting practices into the limelight. **Barry Riley suggests** that they may prove incompatible with



new City rulebooks

This applies to primary and secondary (like BP) offers for sale but, just as importantly, to rights issues of new shares by rights issues of new shares by time it is likely to be in trouble. listed companies, a means by there is no time available for which particularly large sums inspection of elaborate docubave been raised to finance mentation or the undertaking of cash takeovers during the past

If the sub-inderwriting of an issue is not tied up by lunch-time it is likely to be in trouble. There is no time available for inspection of elaborate docu-

London New York World round TV and Radio

• CONTENTS •

Arts: Musical biographies Diversions: New vintage in Bordeaux Gardening: What trees to replant Motoring: Which will be Car of the Year? Property: Relocation agencies Travel: Winter sun

as-and-when basis out of capital account, rather than through much a matter of take it or leave

Generally the institutions take it, because they know from past experience that the chance of an issue failing is very small. The standard 1 per cent sub-underwriting fee has been shown, by academic studies, to be roughly twice as large over the years as it should have been, to compensate for the actual risks. In practice the failure rate of is-In practice the failure rate of issues has proved to be remarkably low.

Sub-underwriting has there-fore become a kind of gravy to be distributed by securities firms to their favoured clients. An institution which turns an underwriting down may not get offered the next one.

In the pre-Big Bang days of fixed dealing commissions, sub-underwriting was a means by which big clients could have some of their outlay returned. Corporate brokers, led by Cazenove, thrived opposes and of arrangement. Moreobast house. arrangement. Merchant banks' investment departments have used their ability to pass on lucrative underwriting commis-sions on a preferential basis as way of strengthening their position in the pension fund man-agement business.

Why have companies, which pay the underwriting commissions, put up with such prac-tices? Corporate treasurers are not normally loath to squeeze the City if they see an opportu-nity. Perhaps they have failed to understand the intricacies of the system properly. And per-haps also they have been persuaded that it is a painless way of paying for corporate broking

How much better to pay es an

regular fees which would affect profit and, worse, which would come out of the finance depart-

Even so; a few companies - in-cluding Prudential Corpora-tion, one of the very investment institutions which have profited from sub-underwriting - have chosen to launch rights issues on a deeply discounted basis, which avoids the need for un-

And the Government, spurred by criticism of its outlays for the underwriting of previous priva-tisation offers, has required un-derwriters to bid more competi-tively.

The merchant banks only retained tiny underwriting fees for the BP issue. The British sub-underwriters - more than 400 of them - had their commission cut down from the normal 1¼ to 1 per cent. These changes 1% to 1 per cent. These changes were clear evidence of the underwriting system crumbling at the edges. Even before the BP crisis, the traditional arrangements had lost their charm for the merchant banks and for the stockbroking firms which they

With the abolition of the Stock Exchange's fixed commis-sions structure a year ago, there has been no call any longer for a system for giving what amounted almost to backhanders to big clients.

What is more, the securities firms are faced with the need to comply with elaborate new rule-books involving concepts such as 'best advice'. It would be hard to square the traditional underwriting system with the new regulations.

'This is because on the one hand corporate clients have generally been overcharged, and on the other because some investment clients have been iven favourable treatment And if these practices are ruled out, the traditional system becomes unattractive for the merchant banks to operate.

There has already been an

open row between the merchant banks and the institutions over pre-emption rights - that is, ex-isting shareholders' right to ep-joy first refusal of any new issue of stock by a listed company. Now the BP crisis has under-lined this parting of the ways. Big Bang has indeed been cele-brating its birthday.

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Our successful offshore fund group has at its core the best range of bond, money and currency funds available. The following Grinness Fright Global Strategy Funds are the investments that you should be immediately considering Global Fixed Interest; Sterling Fixed Interest; Managed Currency; Sterling Money. These have all appreciated during the period 15-27 October in Sterling. For a copy of the prospectus on the sole basis of which an investment may be made, please telephone David Paul on (0481) 712176 or complete the coupon.

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# Keeping your feet on the trampoline

All of this left the index down a market liquidity was unre
a budget deficit and a weakening dollar served merety as a backcloth to Loudon's overriding question last week whether Chancellor Nigel Lawson would pull the impending first payment on the issue.

As long as the potential strain on market liquidity was unre
solution problems and pull the index down a modest 45 points on the week at 1749.8 - 694 points below its 1987 high, and just 70 points above its opening 1987 level. The more fundemental US problems remain unresolved; and until the extent of America's sneeze becomes clear it is impossible to judge what kind in the problems are problems and problems remain unresolved; and until the extent of America's sneeze becomes clear it is impossible to judge what kind in the problems are problems and problems remain unresolved; and until the extent of America's sneeze becomes clear it is impossible to judge what kind in the problems are problems and problems remain unresolved; and until the extent of America's sneeze becomes clear it is impossible to judge what kind in the problems are problems and problems remain unresolved; and until the extent of America's sneeze becomes clear it is problems. WOULD HE, wouldn't he? to the Bank would top £1.5bu; the Government also continues iem of a budget deficit and a to receive its £2.6bn from the

on market liquidity was unre-solved, share prices oscillated

Monday saw the sharpest fall a 111 point drop in the FT 100-Share Index - but even then the market had attempted a couple of rallies on thoughts that BP might be withdrawn.

The next three days saw less dramatic changes. There was a net 19.2 point gain, a 44.9 point loss, then another 23.6 point advance - but prices swung substantially during trading ses-sions as market-makers and investors seized on any selling

By Thursday night - fust 16 hours before dealings in the new shares were due to start -London dealers had their answer. The BP float would go ahead but with the Bank of England offering to contain the po-tential losses which underwrit-

ing institutions inevitably face.

The compromise was a fairly happy one. Should share prices plunge again and every underwriter purchase the partly-paid shares at 70p, the maximum cost

Earlier fears that the forced sale of BP shares by underwrit-ers could produce a stock over-hang were largely dissipated; the Bank will not feed any stock six months, unless the partly-paid price recovers to top the issue level of 120p.

The market's initial reaction was utter relief. By noon the

### London

FT-100 Share Index had recovered almost 87 points - adding some £15bn to share values while BP jumped from 259p to

As BP's 2.30 opening deadline approached, Footsie suffered a approxime pause. But with everyone singing the yield advantages of the parity-paid shares, they opened at 88p - a 25 per cent premium to the Bank's offered intervention price, and in fairly heavy trading had eased back to only 85p by the close.

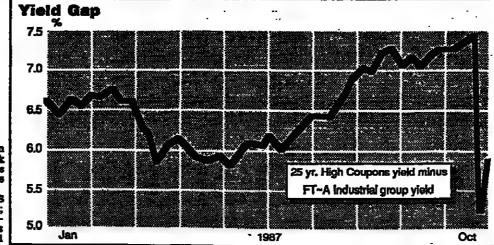
to catch in terms of 1988 profits. Most market-watchers are still no wiser than they were a week ago . Warburg Securities argues: "It appears absurd the UK is down as far as Wall

The US economy is likely to show little growth over the next few years and US corporate earnings could decline in 1988. UK growth is likely to be in the 2-25 per cent area with 10 per cent earnings growth.

Wood Mackenzie concurs:

The implication is that UK equity and bond markets will outperform the US over the next few months." The UK yield gap has nar-rowed considerably. The gift market advanced, pushing the yield on high coupon longs to

nder 9.2 per cent. The difference between the return on long gilts and that on the FT-500 Index has dropped from over 7 per cent at the end of September to about 5 per



some companies.

ICI was the prime example last week. The company turned out a record third quarter profit, taking the figure for the first nine months to £1,004m before tax - a 38 per cent advance on the first three quarters of 1886.

Business was encouraging Business was encouraging, said ICI, and in any other conditions the figures would proba-bly have generated a warm re-

Instead the market took a fresh look at ICI's US exposure, noted the company's cautious statement about the impact of current upheavals, and marked the shares 24p lower at 990p. Ahead of the collapse they were trading at over \$16.

Ahead of the collapse they were trading at over £16.

Marks and Spencer fared considerably better, despite disappointing interim figures of £171.7m (£158m) pre-tax. Clothing sales were dull and food

financial markets is throwing up curious contrasts with the historic figures reported by some companies.

ICI was the prime example.

Showed a small deceleration in the TSB raised a question-mark over its plan to acquire merchant banking group Hill Samustine to be felt. But any protection of the storms has been the felt. But any protection of the storms have not been the felt. against world recessionary forces is a plus, and by Friday

forces is a plus, and by Friday afternoon the shares had eased only 5p to 207p over the week.

The market collapse leaves existing predators with easy pickings: Matthew Brown succumbed to Scottish and Newcastle's £186m cash or paper offer by the first close, and directors of S and W Berisford are offering no guidance to shareholders on the 400p cash offer.

only easualty in the current turmoil. New issues on ice range from Thornton and Company, the fund management group, the fund management group the fund management group, the fund management group the fund

But will they be worth the money? Engineering group II the £254m Ladbroke issue, decided the prospective downward in the US economy meant trading at 342p against a rights its \$144m purchase of US manufacturer Bundy could not be Benson's £143m call - 453p against 450p.

At one stage they were below.

Takeovers have not been the only casualty in the current tur-moil. New issues on ice range

Next week sees the close of

to shareholders.

Pearson aborted its plan to sell back a 16.9 per cent stake to Bank of England at their elbow.

At one stage they were below 400p. But not everyone has the Bank of England at their elbow.

# Still they keep coming

coming to the USM and placing etiming to the USM and placing its pricey shares in the hands of a fortunate few who saw them soar to a substantial premium in first day dealings.

Some things do not change, it sems, despite world markets in state of spasm. Tubular Exhi-sitions, a company which makes erush barriers and organises exhibitions, had its shares placed last week on an historic p/c ratio of of 85. On Monday, its shares went to a 20 per cent pre-mium and have not faltered

Other companies have been more cautious. Two big new is-sues have been postponed until next year, and many others until the markets calm down. But Propeller and Sempernova Fairway and the Company of are not coming to the Third

Pairway and the Company of are not coming to the Third Designers went valiantly ahead with their plans to float this week.

Treparations for the issue were so far advanced, and had exhausted so much management time, said Kenneth Bayin, the finance director of Fairway, a printing company, that we couldn't allow market conditions to cancel the floation. We didn't want to loss the moment of in excess of £150m and indidn't want to lose the momen-

As with the Company of De-aigners, a supplier of design algners, a supplier of design services ranging from architec-ture to engineering, it was ar-gued that the long term advan-tages of a stock-market quote far outweighed the short-term timing problems. But in both cases, the price of the new shares was slashed to make them more attractive to inves-ture, and more shares were incases, the price of the new shares was slashed to make it is difficult to see that this them more attractive to investors, and more shares were issued to raise the same amount capitalisation of £80m. Prior to

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NATIONAL SAVINGS

Schroder Wagg . Provincial Trust

MONEY MARKET ACCOUNTS

**BRITISH GOVERNMENT STOCKS** 

### THIS WEEK'S FALLS

The following table shows the percentage change in the FT 30-share index and its con FT-SE index is also shown.

	yester- day	Annig Oli	1987 High	1987		yester			1987 Lew
FT Ord Ind	1360.9	-2.6	1926.1	1288.5	Grand Mat	394	-2.6	605	30
ASDA-MFI	177	+7.2	2261/2	14235	GKN	278	-9.4	434	244
Allied-Lyona	345	+1.1	471	290	Gainmen	257	-10.1	389	245
BICC	305	-11.3	436	269	Honour Treet	137	+62	1951/2	116
BOC	337	-7.9	359	320	Liewher Sidd	429	+4.7	69	377
BTR	249	-6.3	374	233	KI	£18%	41	\$16%	900
Section	423	+5.2	589	268	Lucas Ind	516	-2.1	795	465
Blue Circle Inde	359	+4.4	577	200	Marks & Spencer	294	-3.8	2001/2	190
Boots	252	+9.1	3291/4	215	NacWest Bank	500	4.9	794	498
British Ger	152	+3.4	200	106	P&O	520	+10.6	776	425
M	267	-7.3	416	236	Pleasey	152	-9.8	258	136
British Telecom	237	+4.4	337	290	Royal Insce	40	+1.9	395	345
Coal Schwepper	236	+5.3	291	119	Tate & Lyle	626	-10.3	944 .	560
Constantifu	337	-13.1	535	384	Thorn EMI	470	-34.5	530	436
GEC	190	-6.7	251	164	Trailbour Ports	206	-2.4	293	179
Cless	41196	+9.4	\$181/4	\$38%	PT-SE 100 lanks	170.8	-2.5	2443.4	1451,4

By contrast, Allied Bestau-rantz, Paragon Communications and Biazer have all delayed their flotations for a week

### Junior Markets

Propeller and Sempernova

of in excess of £150m and in-tended to raise between £30m and £50m of new money, a re-cord for the junior market.

"We want stability before we float," said Stathis Papoutes, managing director, "but present market conditions are likely to generate a number of interesting new opportunities for the company."

3.30 5.60 6.00 6.40 6.70

5.00 6.75 7.00 7.50 7.75 7.75 8.00 8.25

10.00 10.50 10.50 7.00 7.00 6.51

7.99 9.20 9.46 7.08 7.32 7.76

5.06 6.75 7.00 7.50 7.75 7.90 8.16 8.42

7.30 8.04 7.67 7.00 7.00 6.51

6.59 6.77 6.22 6.42 7.20

Black Monday, it had funds of in excess of £1.2bn under its management. Much of this has been eroded, but David Pinck-ney, finance director, remains

At least these companies had the opportunity to reconsider. ties, did not. First dealings in Lloyd Thompson shares were scheduled for Friday October 18, the day of the hurricane, but were postponed until Black Monday. Despite this unlucky timing, the shares mustered a small premium before stabilis-ing at the 170p issue price, be-low which they have not fallen since.

since.

Stanhope was not so lucky: a spectacular debut was followed all too soon by an equally spectacular crash. On Hurricane Friday it overtook Mrs Fields as the largest company on the USM in terms of market capitalisation. Its shares reached 317p, well above the striking price of 250p.

The crash the ragins mass and the companies will receive the cash in the bank.

On Thursday night this week, however, the shares stood at a lugubrious 163p, in line with an-alysts' estimates of the compa-ny's asset value.

monthly monthly monthly monthly monthly

half-yearly yearly yearly yearly yearly half yearly half yearly half yearly

half yearly half yearly half yearly half yearly traif yearly half yearly

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

1.81 3.07 3.29 3.51 3.67

2.77 3.70 3.84 4.11 4.25 4.33 4.47 4.61

3.50 4.19

4.27 3.47 5.17 5.32 6.52

\*Lloyds Bank.†Halifax 90-day; immediate access for balances over £5,000. Special facility for extra £5,000 §Source:Phillips and Drew. §Assumes 4.5 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends gaid after deduction of basic rate tax.

2.49 4.22 4.52 4.82 5.05

4.81 5.77

repecial situation company, where speculative share ratings were exploited by entrepreneurial management to build up a business in a very short space of time. These, according to Hoare Gorett, have suffered particularly badly on the back of a sea-change in investors attitudes to speculative ratings.

Local London Group and the Marina Development Group, two innovative property compa-nies, are prime examples of the special situation, and both have seen their share price buffetted in the last fortnight. But both in the last formight, but both are relatively smug, having made acquisitions just before the crash. The rights issues to finance these are still outstanding, and are bound to flop - but they are underwritten and the companies will receive the easi, and withstanding.

have not cash in the bank. That's not a bad way to be under

ithdraw (days)

1,000-4,999 5,000-9,999 10,000-49,999 50,000 minimum

5-100,000 2,000-100,000 100-100,000 25-1,000 20-200/month

2,500 minimum

# Bull profits in a bear market

Robusy brings the inserts statis on its share price followings from Garry Weston's AS-ing unsubstantiated rumours SOCIATED ERITISH FOODS, concerning its racing division. Analysis say that the ABF half-at least, say analysis, the Hilton time profits are likely to be uncernation in truly internation acquisition is truly internation of £85m to £85m before tax, broke's exposure to the sudden-against a reported £72.2m last by unfashionable US economy. year, seem praiseworthy enough in the context of a £1ba

enough in the context of a 21bs eash mountain.

What the market will be watching for, in a morbid sort of way, is the result of ABF's 400p a share cash offer for S&W Berseford, the UK beet sugar refiner and commodity trader. They feel that Weston, who paid £133m for 22.7 per cent of Berseford in May but who is essentially a cautious man, was pushed into the fullscale bid when Tate & Lyle, a former contender, sold its 14.9 per cent Berssford stake to the Chicago-based Pritzker family and to Berisford directors for £100m in September.

In this week's stock markets

In this week's stock markets ABF would get Berisford. On the one hand this would remove the drag imposed by static, or prospectively falling interest rates on its trading perfor-mance; on the other ABF is now manes; on the other ABF is now paying a high price relative to the market and, given the chance, what it might prefer to do is to sit on its cash and wait for the roof to fall in elsewhere. The first closing date for the Berisford offer is next Thursday.

Also on Monday is the agm of ARACO, a rising financial conglomerate which has built a rapid physical growth profile on acquisitions for its own particular ways shareholders may David Waller

on acquisitions for its own paper. Its many shareholders may be asking next week what Ahaco has to show in the way of organic growth prospects.

Tuesday brings another financial sector AGM, this time hosted by MAL which has expanded from money and securities broking and foreign exchange into advertising.

change into advertising, reversing the concept of the Sastchi's unwelcome overtures to Midland Bank. MAI is highly exposed to US money markets and its recent experience there and its recent experience there might be worth a word or two. On Wednesday, there will be pressure points of one sort or another on two major Britishbased international companies, both of which have seen a dramatic re-rating in recent years.

NEXT WEEK the corporate sector will probably see the odd chicken coming home to roost; the disarray in the US economy, it is in distinct danger of seeing hitting both share prices and the outlook for profits, is likely to combine somewhat uncomfortably with decisions made in the bull market. Monday brings the interimation of the Hilton International hotels operation, is in distinct danger of seeing left with the underwriters—a pity, since before the market collapse the company had weathered a couple of assemble of the market collapse the company had weathered a couple of assemble of the market.

The second company, due to report interim figures on Wednesday, is REED INTER-NATIONAL. This summer, weancaday, is MERED INTERNATIONAL. This summer,
through a rapid-fire disposal
and acquisition sequence, the
group rid itself of paint and
DIY, tidied up in paper and
packaging and, with the £540m
takeover of Octopus, emphasised its position as the UK's
largest publisher — indeed, one
of the largest in the world.
The market is expecting a lot

### **Results Due**

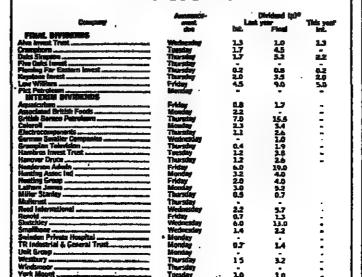
from Reed this year. There are forecasts of a £50m rise in pre-tax profits from last year's £186m and the interim figures are expected to improve from 180m to 195m. However, the group does get a third of its profits from the US and while this was an attribute during the UK invasion of corporate America, it becomes less attractive in the context of a weak dollar and the consequent earnings losses on currency translation

Next week's list also include: half-timers from two members of the Hunting collection — AS-SOCIATED INDUSTRIES on Monday, and THE GROUP on Friday. Household names are Friday. Household names are represented by SKETCHLKY and AQUASCUTUM, the electrical and electronics industries by OXFORD INSTRUMENTS (interims Tuesday, say one team which follows the stock), ELECTROCOMPONENTS and MK RIFECTERIC

The week is expected to close with an interim report from HENDERSON ADMINISTRA-TION, the fund manager. There will be keen interest in any indications of prospects for investment management in a sadly damaged market.

William Cochrane

# **RESULTS DUE**



### **COMPANY NEWS SUMMARY**

TAKE-OVER BIDS AND MERGERS et
Raine Inda.
Chartericali
Assac. Rr. Foods.
Avis Europa
Scot. & Newcastle
C'pagaie da Mid
TR Electy Res.
A new?

**PRELIMINARY RESULTS** 1,280 (751) 10.0 (6.0) 1.9 2,700 (1,500) - (-) 0.7 2,240 (2,840) 13.5 (19.1) 7.0 1,300 (1,140) 20.9 (13.6) 2.6 3,950 (2,030) 11.9 (5.3) 2.3 776 (43 L) 8.5 (-) 15.440 (13.330) 29.3 (-) 8.6 313,000 (256,000) 87.0 (66.8) - 17,260 (14,190) 24.0 (25.8) 9.0 304 (-) 5.4 (-) 27,000 (9,970) 5.2 (6.4) 0.6 114,500 (91,600) 61.1 (53.0) 16.0 23,020 (13.700) 80.7 (42.9) 28.5 79 L (264 L) - (-) 2.5 ICI
Int'l City Hidgs
Irish Ropes
Jefferson Smorf
Kent John
Lacas Industries
LWT
Lacas Lacas Pet 17,250 (14,190) 2 304 (-) 27,000 (9,970) -859 (1,100) 5 114,500 (91,500) 6 23,020 (13,700) 8 79 L (264 L) -2,480 (2,830) 6 27,600 (15,180) 2 1,670 L(2,880 L) -3,010 (1,820) 1 2,830 (1,720) 2 5,750 (4,320) 3 1,430 (1,360) 9

INTERIM STATEMENTS Airflow Streamlines
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Anglo Leasing
Automotive Product
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Berians
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Exploration Co.
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PCT 10.100 2.500 (1.3) 98 (1.3) 98 (1.3) 524 (480) 171,700(155,000) i 394 L (220) (666 L) (193) (65,9) 171,704 394 L 406 2,000 65,600 703 ··· 698 -690-L 1,010 172 L 507 1,600 (495) (193-L) (1,000) (231 L) (325) (1,210) 1.0

RIGHTS ISSUES

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Derices Comine International plans to return to the London Stock Exchange early next year at a market capitalisation likely to exceed £100m. Dexion Comine Internation

Fairway a to come to the USM viz a placing of 2.26m shares.

### SWITZERLAND-

Banking, Finance and Investment"

The Financial Times proposes to publish this survey on Tuesday, December 15, 1987 Subjects to be covered in this survey

include: Commercial banks: earnings and potential

policy changes Foreign banks' role in the bond and share markets

The function of finance companies SOFFEX-the Swiss Options and Financial Futures Exchange Bondsdomestic and foreign markets

Insurance—good domestic results could lead to renewed interest in expanding abroad

Pension Funds-introduction of new performance indices Venture capital—its organisation in

Switzerland

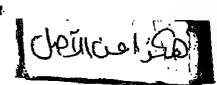
Bank policing and secrecy

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FINANCIAL TIMES— Europe's Business Newspaper



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MMARY

which had severely shaken markets in Europe and the Far East. To date the sellers in Tokyo took a panse and traders aphave but foreigners in lowyo-peared willing to wait to see if kers and short-term investment the major economic powers trusts. The heavy-hitters, Ja-could muster the political will pan's big institutions and in-

to sort out their problems and avoid a major recession.

"We are at half time," says Nicholas Knight of James Capel in London, "and the second half will determine whether we have the second crash of 1987."

In the past two washes worldwide continue to contract the procession of the second half will be past two washes worldwide continue to contract the past two washes are an arrowned to contract the past two washes and investment trusts who own about avoid a major received in the second past are trusts who own about avoid a major received in the past trusts who own about avoid a major received in the second past are trusts who own about avoid a major received in the second past are trusts who own about avoid a major received in the second past are trusts who own about avoid a major recession.

We are at half time, says Nicholas Knight of James Capel in With the TSE's average prospective price/earning ratio still at a lofty 45 or so, market washes the past are trusts who own about avoid a major recession. have the second crash of 1987."

In the past two weeks world equity markets had lost about 18 per cent of their value by Thursday's close. With the buoyancy of Tokyo removed the rest of the world fell by 21 per cent. The difference is more striking when compared to highs for the year, with Tokyo pulling the world up by five percent off.

The strength of Tokyo confounded many forecasters who believed that Japanese shares were vastly overvalued. For months before the crash, foreign pundits had expected the highly-valued Tokyo market to lead a world equity-shakeout. In the event it was the IS that it is still at a lofty 45 or so, market watchers worldwide continue to cast a nervous eye on Tokyo. The question is whether, or whether, or when, the big institutions will move out of the market. This would cause a crash of colossal proportions in Japan. The alproportions in Japan. The alproport

eigh pundits had expected the could continue selling at their highly-valued Tokyo market to current rate for another six lead a world equity-shakeout. In the event it was the US that led the way, with Tokyo lagging well that they are are unlikely to affect the thinking of Japanese Yet how long can the world's largest stock market continue to hold out against the trend else.

After -11 -27
Spain -24 -23
Sweden -22 -26
Sweden -27 -25
UK -29 -27
UB -27
UB -27

The recent instability of the dollar works both ways. If the

The world on Tokyo's shoulders rorld is one. where, and what happens The plunge of the dollar, should Tokyo join in the col-

FT-ACTUARIES

% Change change from 1987 since high point Oct 16

bility could well induce Japa-nese institutions to keep more tons to stand firm.
So far the Ministry of Finance

WORLD INDICES



could cause the big institutions to liquidate equity holdings to compensate for dellar-based losses abroad.

On the other hand such instability could well induce Japanese government officials to lean even the could be a several to the course of the cours more heavily on the instituti-

> has quietly informed institu-tions and stockbrokers that it expects them to hold on and help defend the market against a tumultuous collapse. This in turn has engendered some re-sentment on the part of money managers, who grumble that the government is using them to ensure that the upcoming sale of shares in Nippon Tolograph and Telephone (NTT) goes off successfully.
>
> As Tokyo has not fallen as far the worst hit markets anywhere

as other markets, institutions could still sell many stocks at a profit. As Japanese accountancy rules now require the big funds to value their investments

control its own markets and in-stitutions. Nicholas Knight, of James Capel, does not believe further they fall: Australia has

Crash of 1987. Tokyo's insulation is not shared by its neighbours in the

# World

the worst hit markets anywhere in the world.

in the world.

Seonl, which is largely barred to foreign investors, seemed perversely to defy the international trend earlier in the week when it touched a record high on the composite index Tuesday. But it too has now come off the height of the composite index for the second control of the height of the heig funds to value their investments every six months at market prices, not cost, there is more pressure on managers to consider profit-taking.

On a six month view, the funds has struck home of how a falling datter and a mostifule US recession.

James Capel, does not believe farther they fall: Australia has that a further fall in Tokyo would necessarily cause other markets to come anstuck, simply because Tokyo has lagged behind in the fall. But if the decline rushes past the 20 per cent or so limit, then it could easily signal round two of the great carehof 1987.

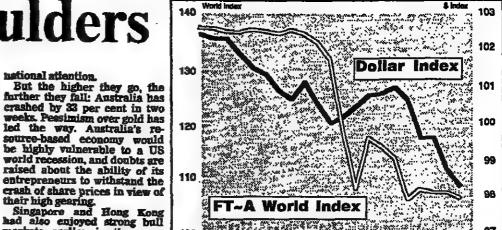
their high gearing.
Singapore and Hong Kong had also enjoyed strong bull markets earlier in the year, benefiting in part from interpational fund managers who took profits in Tokyo and sought bet-ter value elsewhere in the re-

gion.

The Hang Seng Index suf-fered a deathly 33 per cent de-cline on Monday when the mar-ket reopened after a week's closure. A HK\$2bn rescue package for brokers who were exposed to the futures market was posed to the futures market was insufficient to restore investor confidence, and it took another HK\$2bn in the kitty - funded in part by China - to restore rela-tive order.

bave to start making some money some rather than later. Will their move to take profits start another calamitous round of salling? The answer to that dependent economy.

Australia had enjoyed a giddy tarn out to be Hong Kong's rependent on how much confidence one has in Japan's ability to



relative composure, but much of this came unstuck as the US dollar wavered and then plunged amid deep doubts over the integrity of the Louvre accord on the dollar that was aimed at maintaining exchange rate atability. rate stability.
Record declines were regis-

tered elsewhere on the conti-nent, where many markets plumbed new lows for the year and on Thursday Stockholm and Madrid faced severe liquidity crises amidst relentless selling. On Friday the apparent new-found strength of the dollar and

market recoveries across the globe gave new grounds for op-timism that the bottom had been found for the moment. But

the first week of the crash with this could be only temporary. relative composure, but much The US trade and budget deficits underlying the crash are unsustainable, as is the valuation of the US dollar. Correcting these imbalances would require an unprecedented level of domestic US political accord and international cooperation.

> But the international stock market crash has at least forced policy-makers to stare down in-to the abyss of financial crisis and deep recession. There can be no doubt now what is at

> Steven Butler and Carla Rapaport

# How to whistle in the dark

"THE BEAR has only one desire, and that is to move the market to lower levels while taking the greatest number of tookledgers with him. stockholders with him. In order stockholders with him. In order to do this, the Bear must keep investors' hopes up. The Bear does this via frequent and often violent rallies against the pri-mary downward trend.' Over the next few months these gloomy words, written last weekend by Richard Bussell, author of the Dow Theory Letter should exh-Dow Theory Letter, should echo like a Wagnerian leitmotif

through every investor's head. The point is not that anyone can say for certain that the dreaded Bear has now finally taken over. Russell's Dow Theory, based on the interplay between the Dow Jones Industrial, ry, based on the interplay between the Dow Jones Industrial, Transportation and Utility averages, may now be firmly bearish, along with many other technical and mechanistic analyses of market movements, but most of these techniques have given plenty of wrong signals in the past and will certainly continue to do so in the future

The real point of highlighting Russell's warning is to draw at-

Alternative Williams

LAND

"gance

tention to a fact which is incontrovertible: that every bear market looks constantly as if it is about to turn bulliah, and it is precisely at these turning points that the bear traps more and more of the unwary investors who have survived his previous assurits.

Street's history had not degerment to the 2000-mark since the crash now completed, many such satisfied investors are now readying themselves for another tors who have survived his previous assurits.

Street's history had not degerment to the 2000-mark since the crash now completed, many such satisfied investors are now readying themselves for another tors who have survived his previous assurits.

Street's history had not degerment to the 2000-mark since the crash now completed, many such satisfied investors are now readying themselves for another tors who have survived his previous assurits.

vious assaults.

in retrospect it may turn out that Monday night this week, when the Dow Jones Industrial Average fell 156 points to below Average seal 130 points to below 1800, was one of the great buying opportunities of a lifetime.

To judge by the market activity during the rest of the week, not only on Wall Street, but also in Tokyo, London and the US bond market, the Crash of 1987 may soon be turning into a mere

Canada a contrata

enormous, never approached the franzied levels of the week

### Wall Street

before. To put it in a word, it seemed the market had finally

found a bottom.

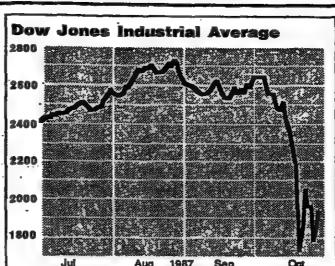
Needless to say, the subsequent jubilation has been impressive. With a gain of 220

weeks.
As for what lies beyond that: few of the analysis are ready just yet to stick their necks out, but already the bashful nurmurings of the worst is behind us, 'new highs by next summer' and 'Dow at 3000' can readily be

uscerned. The main reason for optimism is covious. It lim was worth
\$1.70 last summer, why not \$1.80
next year? There was no clear
economic reason for the last
few month's market panic,
therefore we may as well assume that the market levels
which prevailed before it will

which prevailed before it will soon return.

The counter-argument is equally simple: there was no clear economic reason for the market's giddy climb throughout the last 12 months either. But this observation, so popular only a few days ago, is falling



out of favour with every ten points the Dow manages to add.

However, before concluding time between now and the end that the bull market is once again up and running, it is time, anytime in the foreseeable future, since none of the popumost important events that have her econometric models are not happened during the past two weeks

Almost no Wall Street econometric models are deemed for a time horizon much beyond one year. The absence of a recession would

seem to be good news for the fi-nancial markets. But it does provoke one niggling thought If a recession is in store, the present price structure and state of expectations on Wall Street certainly does not reflect

that danger. If any serious signs of recession do materialise during the next few months, the market will almost certainly crash again and probably fall a good deal further than its nadir

on Black Monday.

The second non-event of the week could be even more important Contrary to almost universal predictions, there has been no crash on the Tokyo market. Indeed, Tokyo's persistant beautiful in the contrary against the production of the contrary against the contrary ag tent buoyancy each night, in-cluding most crucially the night cluding most crucially the night after the Dow's 157 point collapse on Monday, has probably been the week's most bullish influence on Wall Street.

After all, the bulls do seem to have a point so long as Tokyo continues to demonstrate so

graphically that there is no such thing as gravity in the world of 1980s international finance. If Nomura Securities can have a \$60bn, why shouldn't Ford or General Electric be worth at least half as much? And if Nip-

ket value two thirds of that of the entire GNP of the United Kingdom, why shouldn't IBM be worth two thirds as much as

Remember though, that the Bear can answers all such ques-tions with another: What hap-pens to Wall Street after Tokyo finally does crash?

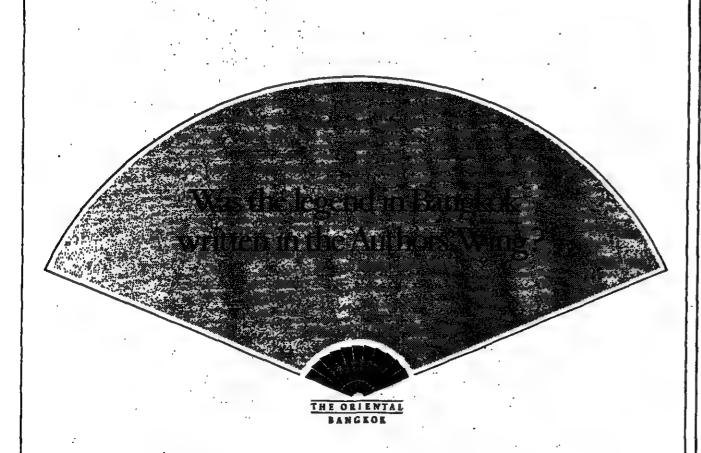
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### · FINANCE & THE FAMILY ·

THE TIMING could scarcely have been better. The Great Investment Race ran its course through one of the most bullish years that the world's stock narkets have ever experienced. And it ended just before the

As a result the charities which will receive the profits of the Race have benefited from the best of the stock markets and avoided the worst. Charity Projects, the group which conceived and has organised the Race, has raised £779,856 to do-

six teams of fund managers pit-ted their investment skills to see which could raise the most money for charity by managing a portfolio worth £35,000 for a

Between September 24 1986. when the Race began, and Sep-tember 23 1987, when it ended, the FT-A All Share Index rose by 51 per cent. In the US the Dow Jones Index surged by 43 per cent over the same period, jumped by 38 per cent.

Yet the teams performed even better. The value of their origi-nal portfolio - the £210,000 given to Charity Projects as an inter-

est free loan by Prudential Unit management group, benefited by halancing high risks against sponsor - increased by no less than 471 per cent. management group, benefited by halancing high risks against high rewards to make a profit of £210,346, and Hoare Govett, the Trust Managers, the Race's sponsor - increased by no less

than 471 per cent.
The Great Investment Race began with £210,000 and ended with £989.856. By comparison Charity Projects would have emerged with a profit of just £13,440 had it sunk its money into gold, or £18,578 had it plumped for a Halifax Building Society received. Society account.
Individually some of the

Individually some of the teams fared even better. The most successful teams tended to be the most opportunistic. The winner, Prudential Portfolio Managers, favoured a speculative strategy from the start - ploughing huge sums of money in and out of the futures markets from day to day - and boosted the value of its portfolio elevenfold to make 2346,229 for charity. for charity. Similarly Fidelity, the fund

London stockbrokers, presented Charity Projects with

Alice Rawsthorn announces the results of the Great Investment Race

Ended in the nick of time

Messel, another London broker and part of the Shearson Lehman group, more than dou-bled its money to make £49,536, while Nomura, the Japanese securities group, and Bell Lawrie, the Edinburgh-based brokers, fell behind the rest of the field but produced respectable profits of £17,095 and £14,098 respec-

Charity Projects is now final-izing its plans to donate the profits to charity. Charity Proj-ects was formed three years ago by Jane Tewson, who then worked for Mencap, the charity for people with mental handi-caps, to stage fund-raising events for charity. In order to

ensure that every penny of the money raised goes to charity, all the project's running costs are sponsored by individuals and

corporate supporters.
It is Charity Projects' policy to
favour charities which would
otherwise find it difficult to attract funds - which are too small to muster the resources to raise money at a national level, or money at a national level, or which work in "unappealing" fields. It has donated substantial sums to those which help the young homeless or unemployed and the young victims of drug and alcohol abuse.

The money raised by the Great investment Race will be divided between the Home Farm Trust, Shape and a wide range of smaller charitable groups.

groups.
The Home Farm Trust provides long term care for adults with mental handicaps in a net-

care centres across the country. Race, which will be used to con-struct craft workshops at its new centre in Bedfordshire.

Shape, a national network of groups aiming to build bridges groups aiming to build bridges. between people with disabilities and the arts, will receive £155,971. This money will be distributed between five of the regional organisations within the network most of it will be used to find training for example to to fund training: for example to enable people with disabilities to work within the arts and arts dminstration.
The rest of the money will be

The rest of the money will be donated to a variety of projects: £20,000 goes to Broadreach House, a centre for young people with drug and alcohol addiction problems in Plymouth. Broadreach will put the money towards the purchase of a half way house to provide patients

before they return to life in the

community.
Centrepoint, an organisation based in the Soho area of London to help the young homeless, has received £22,000 for a siz-month research project to find out why young people become homeless, what type of people they are, and what become

Other grants have been given to provide an assistant director to provide an assistant director to a group working with young deaf people; to buy and convert a mini-bus for the use of people with disabilities in a rural area; and to purchase a house to provide accommodation for homeless young women with children.
Charity Projects is now final-ising plans for the next Great Investment Race and for the FT Readers Race which will run alongside it. Prudential Unit Trust Managers will again act as sponsor. It has offered to in-crease the value of its sponsor-

ship to £500,000 enabling more teams to participate. as the new teams have been signed up. Charity Projects is crossing its fingers in the hope that the mood of the stock mar-lests will be rather more benign



JOINT winners of the FT Readers' Race, which was run in conjunction with the Great Investment Race, were each presen with £1,250 worth of Prudential-Helbern unit trusts by Alan Wren, chief executive of Pruden-tial-Holbern. Chris Paukleft) of

Wimbledon, and Frank White(centre) of Boston chose units in the Helboth Special Situations Fund on the grounds that it provided the best steps for benefitting from any general recovery in the stock market. The Besters' Race raised an additional £17,000 for charity.

### Bell Lawrie

WHILE so many of its fellow teams set their sights on the high risks and high rewards of speculative investment, Bell Lawrie, the Edinburgh stock-broker, began the Race intent upon pursuing a more cautious investment strategy.

We decided to manage the portfolio as we would that of any other private client who wanted high growth from their investment," says Derek McIntosh. But half way through the Race we saw how well the other teams were doing and tried to become more speculative. In retrospect that was an error."

The Bell Lawrie team - com-posed of Derek McIntoch with his colleagues Alan Henderson, Frank Malcolm and Bryan Johnaton - began by assembling a hroadly based portfolio of UK equities. Originally it intended to hold the portfolio throughout the Race and pocket its profits

at the end. But half way through it sold some of the shares in order to release capital to chance its luck in the traded options mar-

Bell Lawrie made a mistake. Some of the shares - such as Grampian Holdings, the Scot-tish mini-conglomerate, and Pa-cific Assets, a Far Eastern inwestment trust - were worth much more by the end of the Race. Moreover it made a few blunders with options. As a re-sult it trailed behind the field for much of the Race, and fin-tend last with a wroth of

Undamited, Bell Lawrie is determined to re-enter the Bace next year. "We will adopt the same cautions approach," says McIntosh. But this time we will stick to it!"

### Fidelity

"WHAT wonderful timing" says Peter Pleydell Bouverie of Fidelity. "The Race could not have ended at a better moment, exactly a month before the stock market crashed."

For much of the Race the team from the Fidelity fund management group flourished in a bullish stock market. It had adopted an opportunistic investment policy from the start and led the field for the first estment poncy from the source and led the field for the first the beginning, says Peter Clark Fidelity was most successful of Hoare Govett. "At first the re-

Fidelity was most successful in the Far East, chiefly in equity investment. It ran into a few problems with Japanese warrants and a few stocks which did not perform as well as it expected. Neverthelees, by the end of the first half the value of its portfolio had quadrupled.

The team - which embraced Pieydell Bouverie, Anthony Bolton and Gary Lowe - opted for a more conservative approach for the second half of the Race.

"By that stage we had made a reasonable ammount of money and decided that we should consolidate our position and ensure that we saved it for the charities," says Pleydell Bouverle, 'It was already apparent that the markets could have turned against us. Nevertheless, we were prepared to run a few market in Australia. Hoare Govett ended the Bace in third

Fidelity finished in sec place, having made a profit of 2210,346. It has decided not to to continue its involvement when Charity Projects and has made a donation to sponsor the ap-mointment of a grants assistant, pointment of a grants assistant, who will work on grants for smaller charities.

### place with a handsome profit of from each of the overseas sales few stor £143,502. It is now bracing itself deaks - but the strategy will be Clark. for the next bout. The composi-tion of the team will change - it. In the first Race we took a will include representatives short term view of relatively

Pru gallops past the post

How the teams fared: Prudential Portfolio Managers (tactics: speedy dealing in futures and specu-lative tracing in equilies chiefly on the Lon-don stock market)

(tactics: opportunistic investment in equities, principally in the Far East. Built up capital gains in the first helf of the Race, consolidated in the second)

pare Govett (tectice: after a slow start gathered momen-tum in the second half through highly specu-(tactics: opportunistic investment in equities in various international stock markets, Suc-cassful trading in financial futures but mis-judged the pound in summer)

(tactics: Initially one of the more appyreasive teams, but lost momentum as the Race prog-ressed. Concentrated on its native Tokyo

(backers intent on running the Rane as if it were managing a growth portfolio for a private client. Adopted cautious policy of investment in UK equities. Floundered in the traded options market in the second half) Total: Secretary The Wild Company

### Messel .

2344.220

BEFORE the Race began we hought that to double our money in a year would be pretty ag-gressive," says David Hunter of Messel. "Clearly we were too

The team from Messel - the London broking house which is part of the Shearson Lehman group - succeeded in more than doubling the value of its portfolio and has presented Charity Projects with profits of \$42,586, finishing the Race in fourth

David Hunter - with his team-mates Sue Blacker, Geoffrey Chamberlain, Michael Del Mar and Peter Jones - split the port-folio between equities and fi-nancial futures.

nancial futures.

By and large Messel prospered in futures, but the team sniglduged the money markets after the General Election. "We were convinced that the pound would go up," says Hunter, "It went down."

would go up, says went down.

But Messel compensated with successes in equities. One of its best investments was a stake in Actis Jewellery, a USM-quoted retailing group which has be-come the investment vehicle of Daryll Phillips, the South African entrepreneur. The Actis share price trebled during the

Race. Messel was able to pocket a tidy profit before it tumbled in the recent crisis. In retrospect Hunter wishes that Messel had been rather more opportunistic. Success or failure seemed to depend on one's definition of risk," be says.

### Nomura

BEFORE the Race began many of the teams confessed that they regarded Nomura - the largest securities house in Ja-pan, which had just ventured into the London stock market - as their most dangerous rival Their concern was exagger-ated. Nomura fared well in the

opening weeks of the Race, but its performance was rather dull from then onwards. It ended the event in fifth place, just ahead of Bell Lawrie, with a profit of For much of the Race Kenichi

Fukuhars managed the Nomura portfolio on his own. For the next event he plans to seek support by drawing on the skills of other colleagues within the group.

Fukuhara concentrated on one or two stocks at a time and

stuck to the Tokyo market as "the area that I know best." Hav-ing increased the value of his portfolio in the early weeks of the Race be decided to hold on-to his gains.

With hindsight I should have

been more aggressive and moved into new investments, he says. But I was not prepared to take the risk." Fukuhara envisages a differ Fukuhara envisages a different approach for the Bace in

1988. "We will field a larger team," he says, "move into differ-ent world markets and be much more agressive."

## **Prudential**

Prudential

HAVING stolen the lead from
Fidelity at the half way stage,
the team from Prudential Portfolio Managers led the field for
the rest of the Hace.

The Pru decided at an early
stage to concentrate on its special skills of investment in UK
equities and in the FT-SE equity futures market. The result
has been spectacular. Within a
year its portfolio multiplied almost elevenfold and it has made
£346,229 for charity.

The Prudential was especialby successful in its futures trad-

the Frudential was especially successful in its futures trading. Even in a strong market there are times when sentiment turns bearish," says Pullen. "In those instances, if you read the

Sarer

la "

market correctly you can make a lot of money."

It also fared well with equities. One of the most successful investments was in Miller & Santhouse, the USM-quoted opticians, in which it invested as a new investment was the Drub bierset. new issue. But the Pru's biggest coups were a series of finance investments in which it would sink tens of thousands of pounds into individual deals for

The Pru is now bracing itself to guard its laurels in next year's event. There is no doubt that the investment markets will be less supportive in 1988," says Pullen. But there are good times as well as bad in a bear market. We will be knowled.

# WHITINGDALE

### "INVESTMENT PRICES CAN GO DOWN As Well As Up!!" ow many times have you read this

obligatory, government health warning in financial advertising? Unfortunately, the events of the past two weeks have driven this message home to investors in no uncertain terms. As wave upon wave of dramatic price

movements hit all the world's major Financial Markets, many investors must have wondered what they could do. Many undoubtedly wanted to sell. Many undoubtedly tried. But, many found that they could not get a price to deal at.

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- a company that manages money for over
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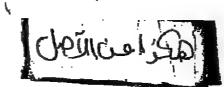
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### FINANCE & THE FAMILY

# The equities dream ends

INVESTORS ARE still reeling from the great equity market collapse. The plunge in share prices came as a reminder of the aga-old truth that equity investment is risk investment.

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the age-old truth that equity investment is risk investment.

The more enduring structions of gilts now stand out in reliet, especially because the subdued growth, low inflation economic outlook stemaning from the world stock market decline holds out the prospect of short-term capital gains on fixed interest securities as interest rates fall.

What has happened in the past two weeks is that investors have made a radical reassensment of the likely real returns from their investments. Equity markets were borne higher on optimistic projections of profits growth. These ran well shead of what the world economy, locked in a 2 to 3 per cent growth range, could reasonably be expected to deliver. To compete with buoyant equity markets, fixed interest securities had to give substantial real (that is, inflation-adjusted) yelds of 5 per cent growth ange, could reasonably be expected to deliver. To compete with buoyant equity markets, fixed interest securities had to give substantial real (that is, inflation-adjusted) yelds of 5 per cent growth ange, could reasonably be expected to deliver. To compete with buoyant equity markets, fixed interest securities had to give substantial real (that is, inflation-adjusted) yelds of 5 per cent from peak levels. This brings equilies into closer alignment with the realities of productivity growth and profits expansion. It is should not be as much proposed back by about 20 per cent from peak levels. This brings equilies into closer alignment with the complete for the proposed back by about 20 per cent from peak levels. This brings equilies into closer alignment with the summer, have turn of a problem for the UK as for the leaker economic climate.

The defend profits growth ange, the past few brings and th



# Offset losses against assets

A CRUMB of comfort for share-holders who have lost money in may arise, even though their the past two weeks will be the current value is higher than the chance to reduce their tax bill. price paid for them, due to an s can be set off against capital gains on other assets. to take purely inflationary gains with capital gains in excess of out of the tax net. It can also the £6,600 annual exemption turn a gain into a loss or inyour share losses - the current rate of CGT.

Shares bought two years ago may now stand at the same

rent rate of CGT.

Those who plan to hold on to their shares hoping to ride out their shares hoping to ride out the current stock market dip may also benefit from paper losses unfined so far. By selling and buying back the shares, the loss is crystallized and can be used to offiset capital gains.

Two factors may make this route unattractive. There are dealing costs and stamp duty to pay in selling and buying back;

pay in selling and buying back; and if shares rise between the sale and repurchase, the inven-tor will lose out. The two transactions must be separate to work, exposing the shareholder to genuine risk. It may be enough to sell the shares one day and buy them

back the next.

But Mr Christopher Bull, a tax partner with Price Waterhouse, warns that it is safer to buy and sell in different Stock Exchange accounts so that there is no doubt about the validity of the

loss.
Under the account system share settlement is made every share settlement is made every two weeks. An investor's sales and purchases are netted to leave the amount he owes or is owed. By selling in one account and buying in another, with set-tlement in between, there can be no doubt about the separa-tion of the two transactions, says Mr Buil. says Mr Bull.

price paid for them, due to an indexation allowance designed

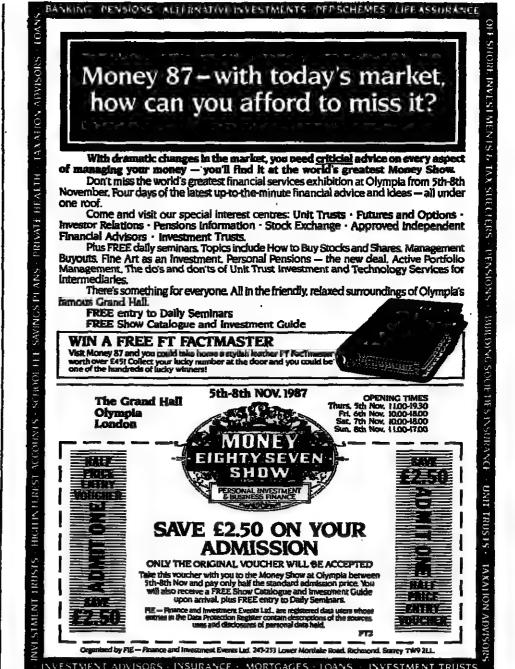
Complicated rules govern the treatment of shares bought at different prices in the same company. The Inland Revenue uses several pooling arrangements to calculate the original cost of the shares sold. Different rules apply to share but the ent rules apply to shares bought and sold within the two-week Stock Exchange account: the last bought are the first sold.

CLosses made on shares which are sold to another fami-ly member cannot be used to reduce a taxpayer's overall liabil-ity to CGT - even if the sale is at market price and is all above-board. The losses can be set on-ly against profits made from a transaction with the same fami-

by member.

"Bed and breakfasting" to realise losses reduces future indexation allowances because the shares are bought back at a lower price than their original cost. The lower cost means there will be fewer inflationary profits in future years to gener

**Richard Waters** 



# Savers' seminar

THE recent debacle on the stock markets, the Money '87 Show at Olympia, London, next week is likely to be different from the planned event.

hibitors this year - up 40 per cent - covering a range of finan-cial products and services.

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The Securities and Investing to borrow money for speculating on the stock market and the first time, reflecting important the show is being run on the same lines as the previous two, held when the stock markets and financial services industries were booming and visitors were intent on enlarging their fortunes. This year they will want to find out how to protect themselves.

The organisers are confident that the financial services in the state of the first time, reflecting important the same lines as the first time, reflecting important the same lines as the previous two, held when the stock market and there are believed to be quite a lot of people who are in this position—are obviously in real trouble.

One solution is to borrow money for speculating on the stock market—and there are believed to be quite a lot of people who are in this position—are obviously in real trouble.

One solution is to borrow money for speculating on the stock market—and there are believed to be quite a lot of people who are in this position—are obviously in real trouble.

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One solution is to borrow money for speculating on the stock market—and there are believed to be quite a lot of people who are in this position—are obviously in real trouble.

One solution is to borrow more, using your house as collateral, bearing in mind that mortgages are among the cheateral provides and the stock market—and there are believed to be quite a lot of people who are in this position—are obviously in real trouble.

One solution is to borrow more, using your house as collateral, bearing in mind that mortgages are among the cheateral provides and the provides and the provides are intention of the first time, reflecting important the provides and for next year. It will explain its key role in important the provides and the provides and the provides are also provides and the provides

The organisers are confident they can deal with the new security and expect stiendance during the four days to reach about 30,000. There are 280 exhibitors this wares are 280 exhibitors this wares are 40 and 40 per security could have a field day offering their wares to a finish recently and the security of the security and the security of the secu day offering their wares to a more receptive audience.

Essential information for corporate treasurers, financial directors, bankers, anditors and other advisers involved in the volatile financial market.

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Written by J. A. Donaldson — former group treasurer of ICI, this is very much a practical guide for all who are involved in the foreign exchange markets.

WHAT THE PRESS SAID ABOUT THE FIRST EDITION:

# Home loans

INVESTORS, who were unwise enough to borrow money for speculating on the stock mar-ket-and there are believed to

intermediaries, Noble Warren for example, quickly stepped in this week offering a second mortgage facility immediately at 3 per cent above base rate, and a remortgage at 11.5 per cent if you can afford to wait for six weeks.

In both cases you can borrow automatically up to 70 per cent

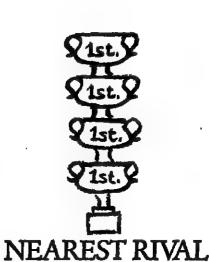
cent - covering a range of financial products and services.

The show offers 31 seminars dealing with a variety of subjects, from financial planning for retirement to management buyouts and investing in platinum. There will also be seven specialist interest centres, offering free advice and information on investor relatious, stock exchange, investment trusts, pensions, futures and options, unit trusts and FIMBRA (Financial Intermediaries, Managers and Brokers Regulatory Association).

The show runs from Ilsm to 7.30pm on Thursday, 10am to 6pm on Friday and Saturday and Saturday and 11am to 5pm on Sunday. Entry is £5 at the door, but tickets distributed by exhibitors, intermediaries and magazines are free or at a discount. Every 100th visitor will have the chance to win an FT FacTmaster personal organiser. If the chance to win an FT FacTmaster personal organiser. If the 10.25 per cent and Chase de Vere Pall Mall is offering a two-year fixed rate mortgage at an interest rate of 9.95 per cent. bank Offered Rate) from 10.9 to 10.25 per cent and Chase de Vere Pall Mall is offering a two-year fixed rate mortgage at an interest rate of 9.95 per cent.

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magazine has surveyed regular premium with profits pension policies for the selfemployed. Of the 23 tables published for 10, 15 and 20 year terms, The Equitable has come top in 12 and second in 6 more. An unrivalled achievement.

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\*20 year regular premium with profits policy - Planned Savings Survey November 1986.



The Equitable Life

hargained for.
The prearranged international investment theme of the conference matched the events of

nivestment plans.
So what's next! John Bolsov-er, chief executive and chief in-vestment officer of Baring In-

ternational Investment Management, London, coun-selled a sober assessment of in-

selled a soler experiment of in-ternational economies and eq-uity markets, and gave an oblique view of his game plan by describing a foreign market which peaked this weak.

In many ways, he said, the country was the reciprocal of the US. It had:

THE STOCK Market crash has undoubtedly tarnished the glamour of equities in the eyes

of many small investors.

Some brave individuals may

think share prices have fallen so low that now is the time to buy. But many are likely to look for a safer haven for their savings; share prices can fall as well as rise the hard way.

ONo budget deficit:

# Time to hold hats

PRIVATE investors seemed to have showed most nerve over the stock market crash. Many unit trust groups reported that to buy another unit trust. Certhere were still net sellers of tainly, there was considerable trusts, primarily because pri-resentment amongst investors vate investors viewed the fall in that they were not given the vace investors viewed the fall in prices as a good opportunity to freedom to deal just when they buy. In almost all cases the big redemption of unit trusts came from brokers and instititional

An instant survey by Audience Selection, a London telephone research agency, found that over half the investors in stocks, shares and unit trusts believed things were heared to believed things were bound to get better.

a rift within the unit trust indus-try. Some suspended dealings ompletely, especially in Far buyers or sellers. The problem East funds, on the grounds that was that it nually took three to they were unable to provide a realistic valuation for the valuations.

As the week were on most

But others, notably the biggest unit trust group, M & G, managed to continue dealings uninterrupted. Roger Jennings of M & G said it was a matter of principle. Its system of daily pricing at 1pm, enabled it to deal at prices adjusted in accordance with changes in the index.

Many other groups, however, did suspend dealings for a time, much to the fury of some sellers, particularly brokers. One intermediary in northern England

mediary in northern England wrote to several groups ex-pressing his "utter disgust" at their conduct and vowing never

claimed that managers had to contend with a completely novel situation because such rapid price falls had not occurred be-fore, even in 1929. Managers had to reconcile the legal requirement to produce accurate valuations before creating or can-celling units and the ability to

funds.

Some switched to forward pricing - offering to deal at a price

As the week wore on most managers adapted workable solutions, he said. Some went onto

a forward pricing system, stor-ing orders from unit-holders willing to deal 'blind'; others obtained permission from their trustees to revise their prices

which is strongly opposed to a proposal by the Securities and the past fortnight. As unit trust investment Board(SIB) that unit managers with a distinct intertrust groups should switch to forward pricing as in the US.

Stuttaford was quick to point with funds of about £330m un-

out that forward pricing although workable, had proved very unpopular with investors. Many fund managers confirmed that they had received many complaints about dealing on a forward price. Nevertheless the marketing director Peter half said the drop was due to the market maelskrom: 'Our salesto-redemptions ratio was still two to one over the period of the crash,' he said, pointing out that Barings is not protected by assured cash flow from monthly UTA's case against forward pricing has been severely weak-ened, especially as some of its leading members like M & G and Fidelity are not strongly op-

posed to the idea.

The decision by many groups to suspend dealings completely to suspend dealings completely deto suspend dealings completely for some time was strongly defended by managers as being in the interest of existing unit-holders. Ian Sampson of NM Schroder commented that he was not prepared to let the "switch merchants" make hay at the expense of existing holders. Ironically the Unit Trust Association produced end-September figures this week showing an enormous expansion in the number of unit-holders, a record monthly figure for net new investment and the value of funds under management

funds under management breaching the £30bn mark for hreaching the £30hn mark for the first time.

It is anticipated that by now the value of funds is likely to have dropped to £40 hn as a re-sult of the crash. The average industry loss for funds is put at about 20 per cent, although of course this varies widely with Australian and Far Eastern funds showing much bigger losses and fixed interest and bond funds much lower losses.

Ever resourceful, and in time

Ever resourceful, and in tune apparently with the mood of many private investors, unit trust groups are now publicising the advantages of new funds which have not yet invested the money received, suggesting they will be buy shares at bargain basement level.

John Edwards

### BARING FUND managers held their annual conference for professional advisers this week. Perhaps they were aiming to co-incide with the first anniversa-Baring up in the storm ry of Big Bang, they actually co-incided with more than they

A foreign debt which had a collined in the past two years;

A forecast trade surplus this year of US\$ 6bm; Chittle foreign involvement

in its stock exchange; @Nationals who were not al-lowed to invest elsewhere;

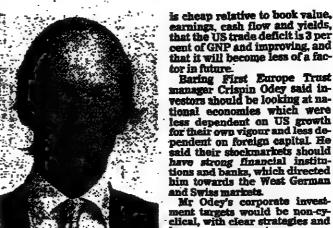
The country was South Korea and the market was South Rorea and the market was South It allowed Mr Bolsover to say that the US budget deficit had been pushed under the carpet for har der management, down from a peak of more than 2430m. Marketing director Peter Hall

pushed under the carpet for far-too long.

His colleague Stephen Cutler, just in from Boston, agreed - up to a point. The US budget defi-cit of \$152hn forecast for this year - against \$148hn last year and an out of control' \$220hn before that - needed to be cut and would be, he declared. President Reagan would raise taxes through "hoophole clo-sures."

For Wall Street crystal ball gazers Mr Cutler offered snap-shots of the market as it was on August 17, when the Dow was at 2700, and October 19, when it

Over that period, he said, the complacency and greed to fear market had moved from high and depression; but Mr Cutler carnings expectations to fears maintained that the US market



of recession, underwining earlier estimates. Baring's asset allocation model, which had shown each as a more attractive

home for funds than stocks or bonds in Angust, had moved in-to neutral after declines in in-terest rates and stock prices. The mood had moved from

is cheap relative to book value, earnings, cash flow and yields, that the US trade deficit is 3 per cent of GNP and improving, and that it will become less of a factor in future.

Baring First Europe Trust manager Crispin Odey said in-vestors should be looking at na-tional economies which were less dependent on US growth for their own vigour and less de-pendent on foreign capital. He said their stockmarkets should have strong financial institu-tions and banks, which directed

and Swiss markets. Mr Odey's corporate invest-ment targets would be non-cy-clical, with clear strategies and

known management.
On Tokyo, Baring put up
James Williams who has a dozen years' experience of Japamese portfolio investment. He is not optimistic about the Japa-nese picking up the pieces of various western markets; he is more interested in the stimula-tion of Japan's internal econo-

my.
This, he said, has prompted
Baring to make large portfolio
adjustments in Japan towards

manufacturing companies, where they estimate profits will rise by 50 to 60 per cent over the

mext two years.

Mr Williams was particularly phlegmatic on the forthcoming \$30bn sale by the Japanese government of the second tranche of NTT shares. He said the institutions had built up 3½ times

tutions had built up 3½ times that figure in the call market to take care of the NTT issue. Jonathan Compton, invest-ment manager of Barings' Aus-tralia and Eastern trusts, dealt

with the rest of the Pacific Basin, but managed a couple of generalisations on the way: Olt would be as insane to extrapolate the recent drops in in-ternational equity indices as it would have been to carry through the rising trend lines from earlier in the year,

• An inevitable shift of economic power would result from the crash. This would move to the crash. This would move to the non-Japanese Pacific Basin, which was experiencing an enormous rate of real economic growth. "Basket-case econo-mies" like the Philippines should be left apart, he said. These "highly dynamic trad-ing economies" had a further characteristic in common: the characteristic in common; the earnings yield on all these mar-kets is higher than in the crisis period of 1974, he said.

### **SWITZERLAND** BANKING, FINANCE & INVESTMENT

The Financial Times proposes to publish this survey on

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FINANCIAL TIMES

# Be wary about shares

think share prices have fallen so low that now is the time to buy. But many are likely to look for a safer haven for their savings; share prices can fall as well as rise the hard way.

It may not be exciting to put money with a building society, bank or National Savings, that the risks are miniscule by comparison. If you have decided to move into safer forms of investment, the question is which institution you should put your money into.

There is so much volatility in financial markets it is impossible to give an answer. Base rates fell by half a per cent to 8.5 per cent tast week and there is a strong feeling that at least another half point cut is in the lowered theirs.

Much will depend on what happens in America. If interest and agreed to give three months and agreed to give three months and agreed to give three months at the safe cut there to restore stock market confidence, there on the beautiful pressure on rates in Britain. Rates may have to rise to restore endidence in the dollar, give only 8.625 per cent.

Whether this differential will enough the beautiful will swing this was the only way they with a building society rather than a bank or National Savings would pay your will be better investing to per cent last week and there is a strong feeling that at least another half point cut is in the pipeline.

Much will depend on what happens in America. If interest rates or such restore to restore such agreed to give three months and agreed to give three months in the past in Britain. Rates may have to restore to restore stock market confidence, there so the past and agreed to give three months are cut there to restore to restore the feature of the part and agreed to give three months and agreed to give there months are cut there to restore to restore the feature in the part and agreed to give there montice before wit National Savings would pay 8.04 per cent, while Barclays would give only 8.625 per cent.

Whether this differential will continue remains an open question. Societies have been paying good rates up to now because they have had to. While the bull market in shares was in full swing this was the only way they could attract funds from small investors. Even then they could not get enough money to finance their mortgage lending.

The crash means societies are likely to be flush with funds. They have already benefitted from the failure of the BP flotation, expecting a massive out-

tion, expecting a massive out-flow of funds but actually ex-periencing a healthy inflow. The dynamics of the savings market seem certain to change over the next few months, with societies not having to work so-hard to raise money. This would tend to depress the rates they

They are also likely to become more aggressive in the markage market. Abbay National general manager John

gy was to drive down the margin between Libor, the benchmark interest rate in the money marhets, and the mortgage rate to make it more difficult for competitors.

Abbey wants to boost its share

Abbey wants to boost its share of the home loans market and would be prepared to cut its mortgage rate to achieve this. The same is true of Halifax, the Largest building society.

No large lender has yet moved its mortgage rate, but if base rates fall any further, mortgage rates are almost certain to drop. Building society savings rates would follow.

The bay question with National Savings is whether the Government's borrowing strategy will change. This year tax revenue and privatisation receipts have been buoyant, so the Government has needed to raise little more formal. tle money from small investors. It has been paying poor rates on National Savings as a result,

over the next few months, with societies not having to work so hard to raise money. This would tend to depress the rates they pay savers.

They are also likely to become more aggressive in the mortgage market. Abbey National general manager. John thrown into question. National Bayliss said the society's strate-



their rates further than any fall in base rates, banks are likely to become more competitive.

In the long run it is unlikely societies will continue to be such a clear choice for people who want a safe house for their who want a safe haven for their eash. But you will still be better off saving with them in the short

**Hugo Dixon** 

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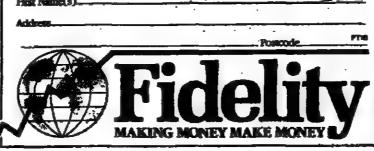
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The Managing Director, Jordan Phosphate Mines Co., P.O. Box 30, Ammen/Jordan. Tel: 660141-7 Telex: 21223 Fosfat Jo.

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portant role in Government fin-ancing as a result, making its rates more competitive. The rates banks pay are likely to continue moving in line with base rates. If societies reduce

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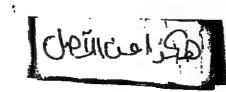
IN THE HIGH COURT OF JUSTICE ( CHANCERY DIVISION No. 005142 of 1987 IN THE MATTER OF PARRISH PLC

IN THE MATTER OF THE COMPANIES ACT 1905

NOTICE IS HEREBY GIVEN that a Percent on on the 2nd October 1987 presented to the Majesty's High Court of Jestice for the confirmation of the inhorance of the Same Premium Account of the inhorance Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be beard before the least able Mr. Jestice Gibton at the Royal Court of Jestice, Surand, London WCZA 211 on Meeding the Notice, Surand, London WCZA 211 on Meeding the state of the Court of Same Petition of Surandon Mr. Account to the said control limits of the Court of Same Premium Account to the said appear at the time of bearing in person or by Counted for that purpose.

such person requiring the same by the on tioned Solicitors on payment of the regulater for the same.



# **Piggies** their bacon

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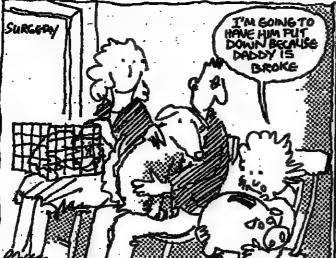
IN THESE turbulent times I have become an addict of Channel 4's Business Daily' programme, every week day at

Last week my daughter Kimberley, who is almost three, saw me watching that programme and asked me: 'Have I lost mon-ey too?'

I explained that her unit trust investments had gone down but eventually they would go up again. Now was not the time to

Then I realised that I was sounding like many of the representatives of City institutions who have been quoted in the press and on TV. Last week they were urging small investors not

I suspect some of them said that only to prevent people from worrying too much. While I was



reply, which opens two files for Black's attack) 14 PzP, NzP; 15 E-R1? (he should try 15 P-Q4) P-R5; 16 B-R2, P-R6; 17 P-KN3, N-

"Poor bishop!" says the tour-nament bulletin. The threat is B-EN5 and N-Q5, winning mate-

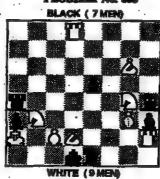
18 P-Q4, B-N5; 19 Q-Q3, PxP.

"cash pile" to add to my holdings since they are basically sound

Although takeover activity of large companies may have tem-porarily been reduced, small "shell" companies could prove even more attractive takeove even more attractive uncover targets. They may well appeal to businesses wanting to reverse into them and thus acquire an immediate stock market quota-tion rather than having to wait until the stock market recovers and is willing to allow them a successful flotation in their own

PROBABLY the most efficient way to improve chess skill is to acquire a knowledge of frequently recurring setpleces. An analogy is penalty or free kick situations in rughy or soccer, where players take up prearranged positions to exploit a statistically limited range of angles and opportunities likely to occur after the kick.

In chess, positions where one initially carried by an advancing force of pawns and knight. The premature bishop plin is most risky when the pinner has an isolated queen's pawn or a knight against an impossible bishop blocked by white TPellant Rlack J Same-time to long on the opening was left with a set opening. There are optimum attacking piece configurations behind the isolated pawn, and optimum entry \$8 N.K., B.K., B



White mates in two more against any defence (by C. Mansfield, 1830). A little known prob-





DIARY OF A PRIVATE INVESTOR

woirying too much. While I was telling my daughter everything was all right, I was further reducing my own stock market holdings. Perhaps some fund managers have been doing the same.

However, frankness is the best policy so later I explained to my daughter that though I had sold shares and unit trusts this was because I wanted to make sure I came out of such investments with good profits, and I needed such profits to reinvest to add to my income.

My daughter's unit trust holdings were to provide her with some eatra money when she goes to university in fourteen years time. That was the difference in Red investment income and profits now—my daughter sunit trust holdings were to provide her with some eatra money when she goes to university in fourteen years time. That was the difference in Red investment income and profits now—my daughter sunit trust holdings in shelf or its in a law to the market look as if it is shown an increase in value would have used some of my shown an increase in value would have used some of my shown an increase in value would have used some of my shown an increase in value would have used some of my shown an increase in value would have used some of my shown an increase in value.

Successful flotation in their own right.

I also pointed out to my daughter how fortunated a large part of my share portfolio before the my share profits in buying and sell.

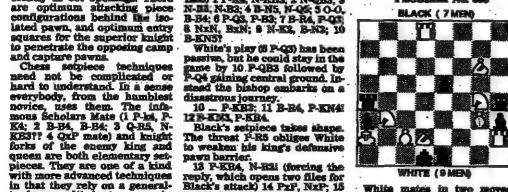
I also pointed out to my daughter how fortunations in world's stock market likely to fall still further and with the US dollar likely to fall still further and daughter how fortunations in world's stock market is used and subdited a large part of my share portfolio before the my share

queen's hishop at KNS, pinning the opposing king's knight, be-fore the opposing king has can-

Now Black plans N-K4, B-B6 ch, B-N7 and N-B6 mate, so White, a pawn down, has to exchange into a lost endgame.

20 N-N1, Q-B3, 21 NxN, QxN ch; 22 QxQ BrQ ch; 23 K-N1, O-O-O-24 B-N2, R-R2; 25 Resigns. Black will win another pawn after 25 KR-K1, R-K1; while for practical purposes white is a bishop down.

Karpov regained the lead at the world chess championship in Seville with a 38-move win in



lem by Britain's best ever com-poser, with a surprise key and thusual mates. Solution Page XXIII

Leonard Barden

### THE PENSION REVOLUTION Let Money Observer be your guide

in that they rely on a generalised error likely to recur in

many games.

The setpiece below from the 1983 US Open is based on a concept familiar to experts but not widely known in club and ana-

teur chess. The theme is that it is dangerous to develop the

Whether you already subscribe to a company pension scheme or not, recent legislation means fundamental changes in . the way you can plan for your retirement. The November Issue of MONEY OBSERVER

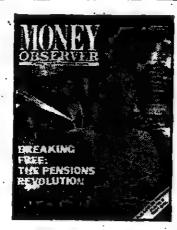
leads with a detailed account of the proposed changes in an easily readable format. MONEY OBSERVER guides you through these changes and helps you make the right pension decisions.

All other mainstream investment areas are also covered in MONEY OBSERVER'S usual authoritative style-including banks, building society investments, National Savings, unit trusts, investment trusts, and the stock market

Today, in-depth research and authoritative advice is even more important, and more and more discerning investors are turning to MONEY OBSERVER which now has the highest audited circulation of any monthly personal investment publication (37,663 Jan/June '87).

THE NOVEMBER ISSUE OF MONEY OBSER-VER IS NOW AVAILABLE AT LEADING NEWSAGENTS FOR JUST 21.95.

But why not save money by taking out an annual subscription? Just £19.50 (£29.50 overseas) starts your annual subscription with the November issue. And we will even give you FREE, our WAY IN TO UNIT TRUSTS (usual price £2.50) the most comprehensive. guide on this industry.





OBSERVER

To Money Observer, 120-126 Lavender Aviews, Mitchael, Savey (SM 5987). JOLOCK LETTERS PLEASE)

THE MONTHLY MAGAZINE FOR DISCERNING INVESTORS

# Mailing orders

THERE WAS one minor conso-lation amid the groom for hold-ers of Personal Equity Plans a yes or no decision and a (PEPs) this week Norman La-mont, financial secretary to the Transcress amounted that from in the advantage of the new

investors.

But he was dubious about calling up extra money for

mont, financial secretary to the Treasury, announced that from to take advantage of the new January I, PEP plan managers will have to send company reports and accounts only to investors who want them.

At present managers are obliged to provide them to all 1,000 a day had been taken out investors. But this is costly and difficult, with many companies refusing to supply extra copies or charging for them.

Most commaints come from The collarse in the IIK stock.

refusing to supply extra copies or charging for them.

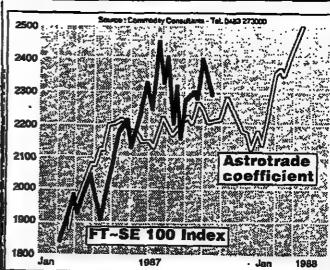
Most complaints come from investors who receive company reports and accounts they don't want. Under the PEPs legislation managers have had to provide reports and accounts to all any sider interest in shares.

Under the proposed regulations, managers of discretionary PEP plana, where the company makes the investment decisions, will be required only to supply reports and accounts on scheme mean that the fund managers have bought and sold particular thares.

From January 1 cash payments into PEPs can exceed the figher return provided by the figher return provided by the figher return provided by the stock market, until the crash.

Some investors are tempted the approach of the risks investors.

But he was dublous about



# Star-crossed

Venus moved from Libra to Scorpio - and capitalism wobbled

AS A prophet of doom I find it difficult to admit I did not predict the extent of the market crash. The Astrotrade coeffi-cients, an index of market strength based on computer analysis of stock exchange asincludes of stock exchange as-lirology, forecast a minor set-back in prices. I expected to see the FTSE 100 index fall by about 150, not 650.

Much comment has been made about the similarity with 1929, but the real similarities are astrological. In 1929 Nep-tune was in an earth sign and Saturn was in Sagittarius as it is

now, but the greatest similarity is yet to come. Market action does not depart from the predictive line for long and usually catches up.

This year they have correctly predicted the vigorous bull market, and even our 2,500 target was close. The main feature is the way targets have been overrun and our goal reached too soon. The ultimate high on July 16 coincided with the peak of the July coefficients. The largest breach in the prediction occurred with the fall, but the market action will probably results of the Astrong wind has blown catches up.
This year they have correctly predicted the vigorous bull market, and even our 2,500 target was close. The main feature get was close. The main feature is the way targets have been overrun and our goal reached too soon. The ultimate high on July 16 coincided with the peak of the July coefficients. The largest breach in the prediction occurred with the fall, but the market action will probably return to the Astrotrade line.

The graph predicts a rally market action will produce the start of the sta

The graph predicts a rally until mid November with further weakness until Christmas. Here the prediction departs from the belief that we have seen the last of the bull market; the coeffi-

March, and although 1988 is not as bullish as 1987 it is not bear-ish. But 1989 is a different story. One indicator of a financial market event is the ingress or change of an important planet sign. On Saturday October 10 Venus changed from Libra to Scorpio under adverse circumstances, with the moon in oppo-

sition to Saturn the next day. The first degrees of Scorpio are often occupied by planets during major financial events. The Big Bang and 1929 crash are examples. Mercury occupied 12 degrees Scorpio from October 12 to 14, the same as Mars during particular on Wall Street. ing panic day on Wall Street in 1929 after the sun had made its ingress into Scorpio. Mercury's effect was amplified as it stopped and reversed into this degree from Monday 19 until

Wednesday 21.
With Neptune in earth and
Saturn in Sagittarius there were several similarities be-tween both crashes. The main difference is that Uranus is also

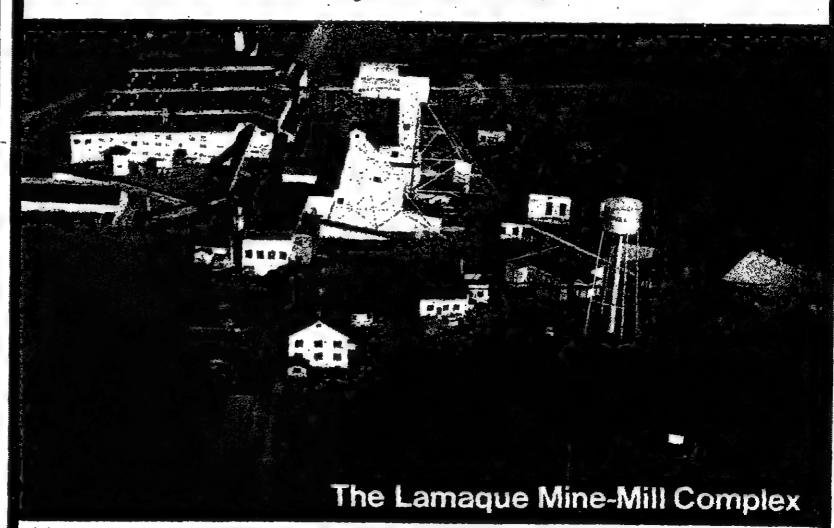
A strong wind has blown down a branch and reminded us that the whole tree is probably rotten. The gale I see coming in 1989 may destroy it.

**David Pallant** 

# TUNDRA GOLD MINES LIMITED

"WHAT IS EXCITING ABOUT THE TECK-TUNDRA PROJECT AT THE LAMAQUE GOLD MINE, VAL D'OR, QUEBEC?"

"Part of the answer is below"



"This plant is capable of 1,800 tons per day,"

"This is the other part of the answer."

### KEY DRILL HOLES DURING THE LAST TWELVE MONTHS ON THE LAMAQUE EXPLORATION PROGRAM

Underground diamond drill holes drilled from the 1800 ft. level:						Undergroun in the No. 5	d diamond dr	ill holes w	ith inter	sections either	near of
Hole No.	From	To	(ft.)	Uncut	Cut*	22 (24) 1400 0	z angs		Width		
T13781	1067.0	1076.5	9.0	.26	-26	Hole No.	From	To	(ft.)	Uncut	Cut*
T13789	956.0	959.0	3.5	. 3.14	1.0	T13780	1828.5	1843.5	15.0	.48	.48
T13803	100.5	103.8	3.3	-82	.70	T13798	806.5	811.5	5.0	.879	.879
T13849	271.6 360	273.0	1.4 6.5	21	21	T13803	586.8	590.4	3.6	2.35	1.0
		366.5		.96	.48		872.5	877.5	5.0	.35	.35
Underground	l dismond dri	II boles d		un the <b>5200</b> ft.	level:	T13833	893.8	956.7	62.9	.41	.29
** * **	-	-	Width.								
Hole No.	From	To	(ft.)	Uncut	Cut*	Surface hole	s drilled with	in the No	. 5 Plug		
T13786	707.0	710.0	3.0	.46	.46	40.1.31.			Width		
T13804	220.0	234.5	14.5	.19	.19	Hole No.	From	To	(ft_)	Uncut	Cut*
	353.0	379.5	26.5	.19 .26 .28	.26	T-86-9	265.8	266.8	1.0	.379	.379
 7010000	425.5	440.0	14.5		.28	T-86-5	394.0	395.0	1.0	.770	.770
T13806	17.8	24.4	6.6	5.78	.72		569.5	571.0	1.5	.535	-535
T13848	40.0	48.0	8.0	18	.18		693.5 760.5	696.0 761.5	2.5 1.0	.20	20
Underground	i diamond dril	il holes di		m the <b>3400</b> ft,	level:	T-86-6	307.5	317.5	10.0	.354	.354
			Width			1-00-0	446.0	448.0	2.0	.269 .418	.269
Hole No.	From	To	(fL)	Uncut	Cut*	T-86-9	465.3	471.5	6.2	.309	.418
T13784	956.5	958.5	2.0	.85	-85	, 55 5	947.8	960.8	13.0	.31	.309 .31
	1558.5	1560.3	1.8	.74	.74		1593.5	1595.6	2.1	.683	.683
. <b>T1378</b> 5	1394.5	1396.5	20	.61	.61		•				
T13788	873.0	874.5	1.5	3.43	1.0	* All assays at	re cut to 1 oz.				
T13812	65.5	93.4	27.9	.89	.63						

additional information: Tundra Gold Mines Limited (Listed on the Vancouver Stock Exchange, Symbol - TDA V) Summit Office Building, Suite 200, 4001 Indian School Foad, N.E., Post Office Box 30107, Albuquerque, New Mexico U.S.A 87190 Tel: (505) 262-2323 Fax: (505) 256-3188

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i is two years now since the Rainhow Concept was launched by Eagle Star. Cutting out all investment mystique, we ocentrate on the most important aspect of your investment decision - the level of rick and potential reward.

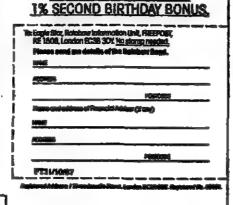
As an investor you can choose between four actively managed funds, each one clearly risk-rated from Secure (No Risk) to Adventurous (High Risk). And so find the ideal balance of risk and reward that suits your individual peeds.

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that the Rainbow Concept is proving to be a winner. Risk levels have been carefully managed. Investment growth has been ontstanding.

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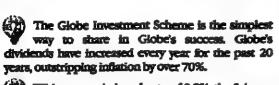


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you can stop making payments into the Scheme at any time. The Scheme provides a very cost-effective and convenient way to invest without the need for frequent con-

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GLOBE INVESTMENT TRUST PLC. To: Anne Rogers, Globe Group Services Limited, FREEPOST, Electra House, Temple Place, London WC2R 3BR, Telephone: 01-836 766 Please send me further information on the Globe Share Investment Scheme.

# Junked in the mail

Is it legally purelisable to send out a rights insee allotment let-ter in the same envelope as the announcement to shareholders of the issue, before the meeting authorising ti?

antherising it?
This is what one investment company did in September, but my allotment letter was not in the envelope. I do not nermally read these lengthy broblets and in this case the frest cover teld me all I needed to know.

A few weeks later when me allotment letter had arrived, I read the besklet and discovered the company can't de anything about it and that I have had my cash for the sale of rights. I had busied it thisking it was a dividend!

thinking it was a dividend these days there's no time to read through things you feel can be taken for granted.

What you describe is legal -although it may not be good practice if the existence of the allotment letter is not conspicu-ously mentioned in the notice

### Obstructed by police

I was recently asked by the pelice for my name, address and date of hirth for taking photas on a quay. He asked if I had considered the implications of the Purhille Order Act 1984. He suggested I ask permission to photograph a gypny's lest and implies some people do not like heing photographed at work! The gypny presumably had compained of harrassment.

What can an amateur who exhibits his work photograph, without lesing tald he is breaking the law? What are my rights?

The policemen was being

The policeman was being over-sealous. But there are har-ands for amateur and profestional photographers in that catch-all statutes like the Pub-

politan Police Act 1839, the Met-ropolitan Streets Act 1867 and some local by-laws could be in-voked to justify an attempt to move or charge you. For exam-ple, strictly speaking a highway is available for the public to pass along not to stop on, so you could be accused of causing an obstruction if you stopped to photograph something or someone, and being a nuisance if you caused a crowd to gather.

### **Director** with no say

Until September this year I was a director of a small company. Despite my fiduciary responsibilities I was mable to obtain from the company actions or accountants, or from the company secretary, full financial details of the company's affairs.

I have written to the Registrar of Campanies asking for help, as I still wish to know, even retrespectively, what is going on, to be satisfied that my responsibilities as a director have been properly carried out, but I have had no help. Is he responsible, or his there some other persons ar hedy to whem I can turn?

The Registrar is not empowered to help you beyond maintaining a register of the company's annual returns and other particulars which you are entitled to inspect for a fac. If you are dissatisfied with the running of the company you should consult a solicitor.

### Whose furniture?

By grandparents' furniture (per-sonal chattels) was left in her will by one aunt to another 'with the wish that the articles which belenged to my parents about be divided by her amongst my viscon and members...' The bank

acting as executor had the furni-ture, which included some valu-able china and paintings, valued, and experts estimate the value at \$1,000. There is reasen to sup-

Ex. 100. There is reasen to suppose that my aunt preferred some of the neghews and nieces over others in the distribution of the chattels. No inventory was prepared for probate or inheritance tax. When asked why it had not prepared an inventory the bank said the chause in the will gave my aunt full disposal over the chattels and that an inventory therefore was not necessary. In this the effect of the above chause and has the hank properly carried out its function as executor in falling to prepare an inventory and valuation of the chattels?

We think that the bank has not

we think that the bank has not acted incorrectly if the aunt to whom the chattels were bequesthed did not require an inquesthed did not require an in-ventory to be taken (and does not dispute that she has re-ceived all the relevant chattels-if she were to dispute it the only potential loser would be the hank). The expressed wish for division among the nieces and nephews has no hinding effect on the legatee aunt.

### Compelling purchase

chasing property in conjunction with the Leasehold Reform Act. What are these advantages? The advantages are that you can insist on a purchase, whether the freeholder wishes to sell or not; and in most cases the

or not; and in most cases the price is considerably less than might be obtained in the ordinary open market. By "marrying the two interests you get an untrammelled freehold which has an enhanced value if you wish to sell. You have to fulfil the statutory preconditions to invoke the Lessehold Reform

### I need my rate rebate

I have a relatively modest in-come from pensions and invest-ments and live in a highly rated ments and live in a highly rated house long occupied by me. Additionally the poundage is among the highest in England.

The consequent total due has previously entitled me to a rate rebate, generally made for a 12-menth period.

On the application form I have now received, however, it is noted that in addition to the "Interest from savings certificates" energian (previously intered af-

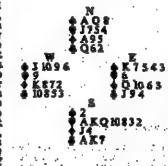
est from savings certificates question (previously ignored after advice), there is an addition requiring details of "the amount of capital or money invested in any way", further stating that this is required for changes in regulations in 1988, (Rumour has it that capital is excess of 28,000 will invalidate any claim for a rate relate). Is this "rumour" true? Does the "amount of capital" question legally have to be answered at this date, or can it be ignored as with the "interest from savings certificates" question previously? Where can one obtain factual information on what would appear to be a fundamental change which must affect passibly millions of people? liens of people?
We suggest that you ignore the

we suggest that you ignore the question as being anticipatory. We cannot say whether the rumour you have heard has any foundation. We suggest that you, and others concerned, write to the Department of the Environment of the Environment.

HUGH RELSEY has brought out another book in the Master Bridge Series, Double Squeezes (Gollanez 1995). If you study the author's clear explanations, you will recognize these squeeze positions when they arise at the table, and fulfil your contract the constitute of the squeeze cost. by operating the squeeze of recity. We start with a little slam:



South deals at game all, and bids one diamond. North replies with one heart, and South rebids two no trumps. North makes a try with four no trumps, which is rather ambitious, and South decides to bid six. West leads the club queen, and declarer takes stock. He has 11 top tricks, so to rectify the count for a possible squeeze he lets the queen hold. West switches to a heart, dummy wins with the ace, and cashes the two diamond honours. Declarer tests the clubs by cashing ace and king, but West has four. He then cashes two diamonda, to leave a five-card ending. West bolds QSS of spades, a heart, and the 10 of clubs, dummy has two spades, K10 of hearts, and 9 of clubs, while East holds JSS of spades and QJ of hearts, South, holding three spades, 9 of hearts, and 10 of diamonds, leads the diamond 10. West throws his heart without pain, dummy lets go a spade, but East feels the pressure and has to discard a spade. Now South play?



Declarer wins with dummy's ace, and seems to have an ines-capable loser in diamonds. But capable loser in diamonds. But provided that West has both 10 and 9 of spades, a double ruffing squeeze is possible. There is a split two card menace in diamonds and the diamond ace and club queen provide the entiries needed for the ending. South runs six trumps, and eashes king and ace of clubs. In the four-card ending West has 109 of spades and RR of diamonds, dummy has QR of spades diamond ace and club queen, while East has E7 of spades and Q10 of diamonds. The declarer crosses to the club

spades, and Q10 of diamonds. The declarer crosses to the club queen. If either defender throws a spade, he can set up a trick by returning the right spade from dummy if both throw diamonds, the ace of diamonds is cashed, and declarer ruffs a spade, and the knave of diamonds is his 13th trick.

I can recommend this book

E.P.C.Cotter

# Portman International ccount

With effect from 1st November 1987 the rate of interest paid on Portman International Account will be reduced to 11.00% gross. Interest is paid without deduction of tax.

Full details of our complete investment range are available from any Portman branch or from the address below.

Building Society ... naturally !

re, Richmond Hill, FIGERPOST, Bottenemouth H-12 6YB.

### **BULGARIAN BONDS**

The Council of Foreign Bondholders draw the attention of holders of Bulgarian Bonds to the Repurchase Offers published by the Government of the People's Republic of Bulgaria on 16th October 1987.

Copies of the Offers and Forms of Accepta The Paying Agents
NATIONAL WESTMINSTER BANK PLC Stock Office Services, National Westminster House Station Way, Crawley, West Sussex RH10 1 E

# Is now the time to buy gold?

Gold is the traditional haven of the jittery investor

And with stockmarkets devastated. interest rates falling, the US dollar tumbling. and the Gulf Crisis dragging on, there's certainly a lot to be jittery about.

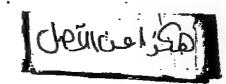
So should you be investing in gold? The best way to find out is by reading the Bailey Shatkin Gold Report.

It's full of vital information about this precious metal, with special insights into recent events and, importantly, recommendations as to what action you should take. Bailey Shatkin Ltd. are members of

the Association of Futures Brokers and Dealers Ltd. and LIFFE.

To receive your free copy of this valuable report, simply ring 01-480 7651 and ask for Huw Llewellyn or send the coupon to Bailey Shatkin Ltd., Freepost, London E1 9BR,

BAILEY / SHATKIN





Metarday Octobers.

NOW THAT some of the mess caused by the great gale has been cleared up, one can begin to see how much damage has been done and think about replanting where necessary. Though I have lost some treasures in my garden a good deal of it can be spared and the place will be better for the thinning.

One danger in growing trees is that one is too enthusiastic at

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Pedicity Transport

the the application

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Hone of Brazile.

place ning.
One danger in growing trees is that one is too enthusiastic at the outset, planting more than arden can contain at mature of the necessary Service of Principles of the Service the garden can contain at maturity and delaying the necessary thinning until it is too late to do it safely. The gale resolved those doubts and hesitations in the most arbitrary way and I am already getting used to the gaps. already getting used to the gaps. There will have to be some replanting to restore balance and ensure a wide range of trees. I am thinking of landscape trees; more exotic ornamentals can follow later. I read a plea in a newspaper daily for large scale planting of oaks and beeches. I have no objection to this if it is not done at the expense of other beautiful but less publicised trees that could be planted.

I would like to see more limes

Arthur Hellyer

assesses the damage caused by the storm

and starts to think about replanting

ash, one of the most English of trees guaranteed to grow fast and strong? I am glad to prebeautiful but less publicised trees that could be planted.

I would like to see more limes planted, most of which grow quickly and make the smooth rounded shapes that fit so well into the British landscape. I would also like to see landowners planting the silver pendant lime, one of the most beautiful of large deciduous trees, which grows to a great height but allows the branch ends to hang, revealing the rich green and silvery-grey leaves.

But there are other limes which could replace the lans largely destroyed long before the most can great largely destroyed long before the hurricane. What about the the shall be stored to the WHE 18-8 - CAN 821 14 The street of the street of the Management of the state of the

no free funds to invest in some special fritillaries.

I am following the example of

agreat bulb grower, now dead, who knew more about bulbs preferences than any gardener. I have met. In his small Gloucestershire garden he raised the ground a few inches above the

roots of storm-proof trees. He surfaced them with a light com-post, strengthened with bone-meal and well-drained with sharp sand. He would then plant many of his best Mediter-

cupboard. I have not built special beds nor filled bulb pans with grit and John Innes compost. I have put them in a very peculiar place, beneath a tree where the trunk and tree roots face south.

The tree roots are still underground. It may be that your tree roots are pointing skywards after the storm, and the idea of planting anything under them seems like a bad joke. You may also have had enough of planting for the moment and by the time you read this you may have no free funds to invest in some

common mountain ask and the whitebeam for landscape planting.

I would be happy to take selected forms, especially the lutescens and majestics whitebeams which are superior in leaf size and colour. Whitebeams love the chalk and will be useful in replanting the badly damaged north and south downs, but they will also grow well in other soils. What they dislike is poor drainage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light down in the gale and they were the only ones to do structural damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light and feathery in foliage.

When the larch arrived in the early 17th century landowners seized it greedily, and for 350 tree that is silvery all over is the white poplar. Mine suffered freely we no longer think of it as foreign. Though the Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without damage. Dawn redwoods grow even faster than larchea, as much as four feet each year, and they are as light of 30 feet, rode out the storm without d

sufficient suckers around for replacements and some can be

dug up and replanted else-where between now and the end of March.

during the summer, when they wished to be bone dry to pre-pare for next year's flower

storm without damage. Dawn redwoods grow even faster than larches, as much as four feet each year, and they are as light and feathery in foliage.

When the larch arrived in the early 17th century landowners seized it greedily, and for 350 years it has been planted so freely we no longer think of it as foreign. Though the Dawn redwood is one of the most ancient trees it is just over 40 years since it arrived in Britain. Perhaps it is time we gave it serious haps it is time we gave it serious consideration for its landscape possibilities.

Under a large magnetia tree I have chosen brilliant yellow crocus ancyrensis, from Turkey, which produces several flowers on each stem, a Tulip Batalinis Bronze Charm, one rather expensive Anemone blando Radar, a magenta-flowered form I chose because its name coincides with the admirable character in the TV serial, the small

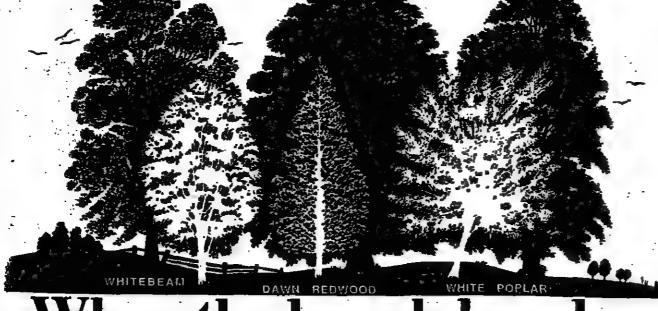
eides with the admirable character in the TV serial, the small narcissus Silver Chimes and a cream and green Pritillaria versicillata, because it has never been hanny anywhere else.

If your tree has lost its upper branches, why not brighten it up with bulbs between the remaining roots? The dry, sunny side is not only a home for more periwinkle. But be sure to feed whatever you plant. The other half of my bulb-expert's practice was to feed heavily twice a year. He dressed the soil between the tree roots with bonemeal and sprayed the bulb leaves with a liquid feed between March and May.

When two sets of roots are competing, one will starve the

competing one will starve the other out. You have to be generous if you want a plant to perform in an unexpected place.

Robin Lane For



# When the bough breaks

I HAVE just planted the last of my flower builts for next spring and I have made an experiment. I have not put them in built fibre and shut them in a dark cupboard. I have not built special beds nor filled built pans with grit and John Innes compost. I have put them in a very beculiar place, beneath a tree

brief, bright interlude. Perhaps it is our investing mentality; but it shows our unawareness of what these wild flowers like.

They like to be very dry in summer after the leaves have died down. They must be well watered when they start growing, but never sitting in damp ground beneath a thick fog. They like the opposits of the English climate.

This observation set their expert grower thinking. He had seen cyclamen growing by the thousand beneath Greek pine trees. He had seen wild tulips in

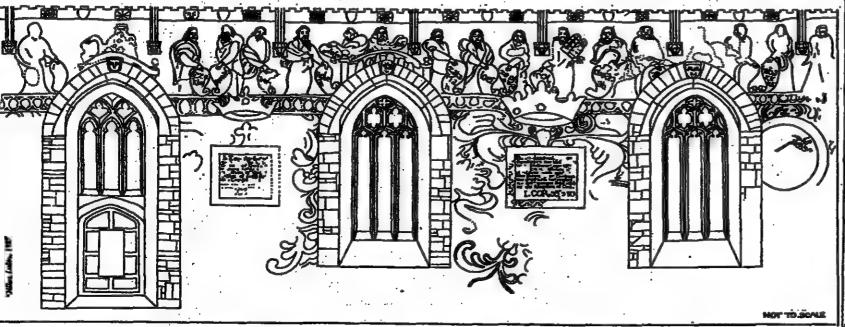
trees. He had seen wild tulips in the roots of stunted oak trees on

Time to replace bulbs

and sharply drained, prefer- As ences which the tree roots guar- on.

seen fritiliaries among the roots of tall plane trees bulbs. Ash trees, mulberries and eatalpa trees were particularly suitable umbirellas. They were late-leafers, showing their green umbrellas only in mid to late May when the spring-flowering bulbs had nearly died down. Their roots were not too shallow and the ash tree grew upright, easting a light shade. Beneath them he grew superb aconites, scarlet Tulipa limifolia, crocuases of all kinds, Greek anemones, small eastern fritillaries and varieties of iris from Asia, including the Iris buckeries. ences which the tree roots guaranteed.

It worked well in his English tomorrow's wisdom. Some wisgarden. During the wet winter dom is already proven. Many months the trees had lost their gardeners know hardy cyclaleaves so the rain reached the bulbs underneath. They flowered in spring, the tree leaves returned during May and the rain was then kept off the fuling and whether other bulbs would rain was then kept off the fuling



DOWN deep Devon lanes, almost in Cornwall, lurks an old country of small farms, cider presses, and walls of cob - dung, mud and straw - that will soon vanish beneath Roadford reservanish beneath Roadiord reservoir. Buildings will be flat-tened, 36,000 trees cut, hedges grubbed and everything scraped. To avoid pollution problems later, nothing will be left. Meanwhile, it is a unique chance for archaeologists to find out how this part of En-

gland came to be. The pattern of scattered farms and hamiets and scarcity of larger villages is ancient, and typical of the south west. The opportunity is extraordinary, because the archaeologists can survey all existing buildings, fetched idea since Saxon evinostry 18th and 19th century, dence is weak in west Devon and then remove them and dig the key to the story is the farmunderneath to see how many steads. They are the basic unit other buildings were there be of west Devon, as of much of the fore. That is impossible on a south west. Dispersed off the working farm. working farm.
The diggers also have an odd

The diggers also have an odd bonus - 15 years' planning blight while the reservoir was argued. Should it be on Dartmoor, or off it? And how big? It is off Dartmoor, and on the river Wolf, and will hald eight million sallows. In 1986 it was one house, the

roofed them in corrugated from (as in West Virginia or the mountains of North Carolina). Nor did they put up the huge lambing barns that have made their mark on Exmoor. The change stopped in west Devon, sabine Baring Gould, folklorist, making cloth.

The houses were on terraces and nacular around a small green called the around a small green called the macular aro cleric and poet of Onward The corn mill at the bottom of century was the grandest house Christian Soldiers, wrote about the hamlet is being dug now, on in the valley, figuring strongly

# How old is Devon?

this country in 1887 in his novel A planned reservoir Red Spider.

he remarks that the pattern of the land had not changed round Bratton Clovelly, the principal village, for fifty years. That now seems true back to the Middle Ages for the land and its families. The Seccombes began then at Seccombe Farm, where

their ancestors remain.

Digging will test if the landscape was formed in mediaeval
times, or earlier. Saxon? Or is it
even Celtic? This is not a farfetched idea since Saxon evidence is weak in west Devon.
The key to the story is the farmsteads. They are the basic unit
of west Devon, as of much of the
south west. Dispersed off the
roads down old sunken lanes,
by the fords but above the flood
line, they are often the shrunken
remnants of hamlets with sevenal dwellings. Hennard Mill
seems typical

the principle of starting nearest
farmer kept behind and used
the river in case the weather
farmer kept behind and used
the save in winter. Channels
for a double mill have been
found, with the remains of a
wooden wheel Tree ring dating
work. It is partly funded by
south West Water and English
Heritage, the water authority
proposing a matching grant
scheme. Most money comes
the texts. The diggers have fair
hopes that what is below the
mill house and on the terraces
may help prove the antiquity of
the west Devon.

The project includes library

is good news for archaeologists, reports Gerald Cadogan .

while the reservoir was argued. Should it be on Dartmoor, or off it? And how big? It is off Dartmoor, and on the river Wolf, and will hold eight million gallons.

The long debate meant that farmers did not bother to pull down old buildings, but just remode them in corrugated iron (as in West Virginia or the mountains of North Carolina).

The house and on the terraces may help prove the antiquity of the west Devon pattern of farms the west Devon pattern of farms the deciments, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments. At the end the archaeolos may be positions by the river, and all did to knowledge of variations of North Carolina).

The long debate meant that farmers did not bother to pull down old buildings, but just remove the antiquity of the west Devon pattern of farms the deciments, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments are urban sophisticates. At Bratton Clovelly more plaintings wait to be unsured the mountains of North Carolina).

The project includes library work on the documents, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments, recording the reminiscences of the locals, and digging pits to collect evidence of the earlier environments are urban sophisticates. At Bratton Clovelly more architecture since they have not the documents in the environment of the west Devon pattern of farms the deciment of the west Devon pattern of farms the digging pits to collect evidence of the locals, and digging pits to collect evidence of the locals, and digging pits to collect evidence of the locals, and dig That at West Wortha was first decumented in 1320. That at Combe Park was demalished

Combe Park of the early 18th

in Red Spider: Coombe Park was a curse to them. It had Highted Charles...' (And so on. A good read.) Listed grade II, it was the oldest brick building in the west Devon countryside, with a fine facade added to humbler parts. At one time the owners, the Laxmores, reserved the front rooms if ever they should visit, while the tenant

1989, and the first water will be taken from the dam in 1990. At Hennard volunteers are needed: who are not afraid of mud.

If you go, do not miss Bratton seems to have continued for ev-Clovelly church. It is a light and er. By 1989 we shall know better stry building with a fine view of when even began.

Dartmoor from the porch, What is remarkable is a group of 17th century wall paintings, noticed in 1952 and partly revealed from beneath a thick grey lime wash in the last few years. In the north aisle Old Testament prophets look down, with bulbous red noses and bright eyes, as if by a rustic Frans Hals. Leaft swags beneath them are as if by a rustic Frans Hals.
Leafy swags beneath them are
like 17th century wood carvings.
In the south aisle are apostles
and, at the east end, David slays
Gollath with the accompanying
painted text: "Who through faith
subdued kingdoms, & turned to
flight the armies of the aliens."
Seventeenth century wall Seventeenth century wall paintings are exceptionally paintings are exceptionally rare, given the religious timult of the times and the Cromwellian iconoclasm. Are these before or after the Civil War? The present feeling, since late 16th century armour is show and the texts are from King Varnes. the texts are from King James's Bible, is that they are about 1630. That dates them with the equally unmissable series of paintings of 1626-28 at Passen-

neath them.

Down the damp lanes in the Wolf valley the search is on to find underneath the farmsteads the earliest traces of a life that seems to have continued for evEdmund Penning Rowsell reports from Bordeaux

# A difficult vintage

Wine

none of the clouds of dust rising

deaux, and pass over the 1987 the same treatment, and the machants after an erratic year in chines were employed for four the Gironde. The omens were days later in the month at Mount good until a few weeks beton-Rothschild.

The 1987s should be superior to the initially under-rated 1980s and 1984s but assessment would be realistic until the control of the initially under-rated 1980s and 1984s but assessment would be realistic until the control of the initially under-rated 1980s and 1984s but assessment would be realistic until the control of the initially under-rated 1980s and 1984s but assessment would be realistic until the control of the initially under-rated 1980s and 1984s but assessment would be realistic until the control of the initially under-rated 1980s and 1984s but assessment when the control of the initially under-rated 1980s and 1984s but assessment 1980s and 1980s and 1984s but assessment 1980s and 1980s a

not good until a few weeks before the picking.

January was exceptionally later-ripening Cabernet-Sauvigcold with a shortage of rain until the end of April. Normal Medoc, and red Graves. There is
rainfall and hours of sunshine usually a pause after the Merlot
in May resulted in excellent is picked, but this was difficult
growth, but vine flowering was in a late vintage, with uncertain
set back by a wet, sunless June,
and many grapes failed to set
almost every day after October
(coulses) or to swell (millerandage).

The alcoholic strength was

After a dry, sultry and partly low everywhere: sometimes less cold, wet July, the August weather was mixed but not very hot. By September vintage prospects were poor - then came pects were poor - then came three weeks of the hottest weather Bordeaux has ever had, with temperatures reach-ing 37degs.C locally. The dry white wine vintage began on the 20th and was very encoaseful white wine vintage began on the 20th and was very successful. But in the Sauternes the rot has been grey rather than noble, and will not provide a good vin-

Those who started red wine picking at the end of the month may have made the best wine, particularly on the right bank of the Dordogne where the earlist pening Merlot grape predominates. Petrus picked its compact 111/2 hs. on September 30 and October 1, while the law. dominates. Petrus picked its compact 111/2 ha on September 30 and October 1, while the larger Cheval-Blane started on the 2nd and finished on the 13th. The strength there was so good it obviated chaptalisation (sugaring of the must).

One vintage proved the most difficult a Graves proprietor had experienced in 40 years, and large troupes of pickers were hired to bring in the crop as quickly as possible. Machine

as the grapes were tipped into the hoppers that we have seen in the past. The soundness of the crop is attributed to modern day, and Petrus and Mouton Rothschild made vineyard his-tory by employing helicopters to dry the vines in the early

spraying, to akins thickened by the September drought, and to cool weather.

The 1987 clarets should be sound but may lack backbone and acidity. The usual comparisons with previous vintages

FT IS ALL too easy to make pre-mature, facile assessments of delaine and Fonroque, all each red wine vintage in Bor-owned by J.P. Moueix, received able for fairly early drinking, or

will not be realistic until the wines have been through winter and the subsequent assemblage (blending of each chateau's vats). A strict selection will be necessary for finer wines.

After so many good years this decade, few people outside the Gironde will be eager to buy an-other vintage, and price reductions of 20 per cent on the 1986 opening figures have been suggested merchants. This would bring the first-growths down to about FFF.145 a bottle, too low for wines with \* guaranteed market in all bit disastrous vintages. It would bring the seconds down to about FFr.70 and other classed growths to less.

All this focuses attention on

All this focuses attention on the 1986s that received a mixed welcome when offered earlier this year. Prices on the Bordeaux market - already more than 20 per cent higher than for the first-growths in early summer - should firm up for this good but tannic vintage, not to be missed by claret collectors.

I tasted a number of wines

I tasted a number of wines from first-growths to crus bour-geois, but in a region of thou-sands I cannot pretend these were all representative. Nearly all had good colour and powerful, sometimes aggressive, bou-quets and strong flavours. The better wines combined these with plenty of somewhat masked fruit.

I compared many of them with the 1985s, most of which had been bottled only recently and were liable to bottle-sickness, giving a dead aroma and closed-up flavour. But it is generally a rounder, less astringent vintage than 1986, whose more important wines would be better in the cellars or reserves of younger claret amateurs.

# Moving beyond **Empire**

IMPERIAL Institute was supposed to be the people's Golden Jubilee present to the Queen-Empress. The notion of the Prince of Wales; it cost \$413,000-in public subscription a century ago, part of the splendid Victorian ethic of popular education. The idea was to educate Eritons in the ethnographic details of their empire and, perhaps more their empire and, perhaps more in the mood of Albert, promote commerce and industry within the empire, and identify miner-al resources for British manufacturers. It was, after all, the British Empire.

A vast paisce was built by Thomas Colcuit and opened six years later in South Kensington. Only the campanile tower remains, sticking out of the 1960s Imperial College of Science and Technology like a sore thumb. On Friday the present Queen turns out to telebrate another jubilee, the silver one of the old imperial's progeny a mile tothe

"The sun has come out and all Kensington with it announced an Australian radio reporter on a wet and windy November 6 in 1962 when the Queen opened the Commonwealth Institute. rifteen flags ratified atop their poles, chestnut leaves fluttered into ponds, and thousands squinted at the queer 'frozan tent' building with its green copper roof.

There were not many features about the old place discernible in the new one. The Imperial had tottered from being a kind of permanent World Fair, with the first motor show, to near bankruptcy with bits of the building hived off to accommodate parts of The Royal College of Art and Imperial College.

Fresh from a fer from harmo-nious Commonwealth Heads of Government meeting the Queen will be starting yet another transformation for the Institute need a change of name, proba-bly to 'Commonwealth Place'.

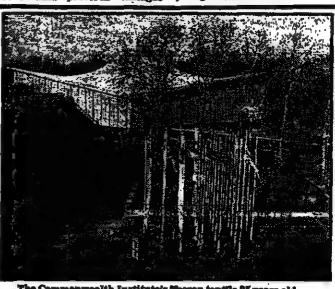
"The overt objective in 1962 was to increase knowledge and was to increase knowledge and understanding of the Common-wealth, which it still is, but it was assumed that it was for an that audience was white Brit-ish said James Porter, the director.
Now we are overtly for the

whole Commonwealth - not an institution, not somewhere which is trying to tell you some-thing, or direct you somewhere; it has to be a place you can come into without feeling di-minished, full of things to do, become interested in, be caught by\_it's got to be user-friendly." The high-tech jargon is not ac-cidental. On Friday an appeal for £5m is being launched and with it Porter intends to create

ROBIN LANE FOX

Offers signed copies of his gardening book, Variations On A Garden, just reprinted and still at £10.95 for FT Christmas reading. FREE post and packing C.W.O. to R. Lane Fox, 14 Beech Croft Road

Oxford OX27AZ UK delivery within 7 days



a mixture of science museum and art gallery to get the new message across. "We have to drag the building into the 1990s" said Allen Cobbold, chief exhisaid Anien Cookin, chief exhibitions officer. Away will go the flagpoles and leafy ponds to make a plazza: We need to open upthe front to welcome people in said Cobbold.

Now there are 49 Common-wealth members, creating an enraged forest of flagpoles on a enraged forest of hagpoles on a blustery day; they represent 1,250 m people. The Instituta has become the biggest Com-monwealth organisation after the Commonwealth Secretariat ofthe Foreign Office itself. Its annual grant is about £3m, 70 per cent of which comes from the FO, the rest by shares from the member countries, all of the member countries, all of which are represented on the Institute's Board of Governors.

Last year a Government review examined rundamentals
like aims, cost effectiveness,
management structure, resources, the building - even
whether it still had any point.
Its conclusions, accepted in
September, involved such ma-

jor surgery that consideration was given to closing the place for two or three years.

"Many of our users would have been devastated" said Porter.

"To put all our work with schools, artists and with our commonwealth ellents on hold would have been very difficult.

"Interpolly we shall have the

Internally we shall have the place finished by Easter 1990, but there will be cranes and work going on around the site for seven or eight years as de-velopment continues.\* There will be a new emphasis

on commerce, perhaps with a parade of shops selling the products of different member countries, including food and drink; there will be a stage for the Institute's own events and for hire; there will be space specially created to be used commercially; there will be a separate theatre/cinema, and negotiations are about to start for a giant Imax or Omnimax screen as used at La Villette and Bradford Museum of Film and Photography.

Simon Tait



### As the weather grows colder Annalena McAfee scans the holiday brochures for sunspots

AS THE DAYS darken and the temperatures drop, those seek-ting refuge from British seasonal gloom by scanning the winter holiday brochures may find themselves echoing the conclusions of Ecclesiastes (Chapter I. sions of Ecclesiastes (Chapter 1, verse VIII), that "there is no new

thing under the sun."
All the old favourites are there: the Caribbean islands there: the Caribbean islands promising castaway life by day and limbo dancing by night; their equivalent, minus the limbo dancing, in the Indian Ocean; the coastal resorts of Kenya; and the more packaged pleasures of the Canaries for the budget conscious. But those who like to combine the interest of the coastal canada and the supplier that the coastal canada and the coastal canada and canada who like to combine their win-ter escapes with at least an illusion of discovery are often frus-trated. Where, they wonder like London property developers, is the next 'coming area'- or have they all been and gone? Intrepid travellers tend to agree with Ecclesiastes. One se-

nior travel writer is said to have thrown in his monogrammed towel when he claimed that there was no hotel lavatory left in the world that was not graced with a paper strip informing the user, in a variety of languages, that it had been "sanitised." Such intrepid travellers do not treat with brochures anyway.

Most of us, however, limited Most of us, however, limited to a mid-winter fortnight of sun-

shine, tend to rely on package trips. Here, current directions tend to offer variations-on-a-theme rather than an opportunity to go boldly where no man has gone before. Apart from moves into areas more familiar to the backpacking brigade, travel companies tend to ring the changes by focussing on new hotels, new islands in familian

transport connections. This year, Kuoni is offering di-rect flights from Gatwick to the Maldives, the cluster of 1,000 is-lands 400 miles southwest of the tip of India. About 200 of the is-lands are inhabited by fishermen and less than 50 used by men and less than 50 used by tourists, with no more than one hotel per island. Beachcombing and watersports are the main attractions on these classic palm-fringed, cornflour-beached "desert islands". The flight, on a Monarch Airlines Boeing 757, takes 12 hours with a one hour stop for refuelling at Bahrain. Prices start at £710 per person for 14 nights. For those who wish to combine a beach who wish to combine a beach holiday with more sophisticated city pleasures, a package giving two weeks in the Maldives fol-lowed by four nights in Singa-

pore.

Companies are increasingly promoting two-centre or multi-destination packages by combining favourite resorts. Thus it is possible to combine one week of "no news, no shoes" sun in 1996 per person. Tradewinds say Goa, with a week of serious

# Winter escape route



The beauty of Barbades where all the days are palmy.

sightseeing, in Rajasthan per-

haps. Kuoni offers several multidestination trips in the Far East including a five-day tour of Bur-ma from Bangkok for £449 per person in a twin room. The cost of five nights in Bangkok starts at £586 per person, including flights with British Airways or Thai International, Sovereign's

tion of Hong Kong, Bali and Bangkok from £1,314 for 19 nights. Silk Cut's Far Away pro-chure offers 19 days combining Borneo, Singapore, Kuala Lum-pur, Malacca, the Malaysian beach resort of Kuantan, and the Taman Negara national park in Malay. Prices from

South Pacific Brochure gives details of packages to Tabiti, Tonga, Western Samos, Fiji and the Solomon Islands. The company also organises trips to the Kiribati chain of islands, previ-ously known as the Gilbert Is-lands, described as "beautiful,

remote and suited only to the dedicated traveller. Recent po-litical problems in Fiji have hit tourism hard there but for some potential visitors this could prove an attraction. Thirteen nights in Tahiti start from 21,300.

Those for whom winter sun does not necessarily spell sand, might consider Nepal where might consider Nepal where treks, from easy to arduous, in the beautiful lake district around Pokhara valley can be combined with a stay in fascinating Kathmandu. Wild-life anthusissis can stay at Tiger Tops Jungle Lodge in the Royal Chitwan National Park, ride el-

ephants and watch lion kills. Wings offers two escorted tours of India and Nepal combined, starting at £1.289 for 14 nights.

The Caribbean continues to be the number one destination for the number of the starting at the s

for the more expensive winter sun breaks, while the Canary Islands remain the favourite for more budget conscious vaca-tioners. Meon Travel offers a villa on the more unspoiled Canary Island of Fuerteventura from £169 per person in a party of four people. In the Caribbean, this year's variations year include two-centre holidays and new cruises. Bequia and St Bar-thelmy are offered for the first time this year by some compa-nies (operators include CV Travel and Kuoni) and there are new cruises through the Grena-dines and up the Orinoco. Ca-ribbean Connection introduces two-centre holidays combining bermuda and Orlando, Florida, for about £1.468 for 14 nights. The same company offers "cruise and stay trips. A fortnight on the Cunard Countess, taking in St Lucia, Antigua, St Thomas, Puerto Rico, Caracas and Grenada starts from £650.

Nearer home, Caravela's win-Nearer home, Caravela's win-ter Portugal brochure features fly drive parture to the Azores, alamost completely overlooked by tourists until the Duke and Duchess of York ho-neymooned there, starting at 2334 per person for eight nights.

In Africa, Abercrombie & Kent have launched new pro-grammes to Rwanda and Eastgrammes to Bwanda and East-ern Zaire including the chance to track the reclusive silverback mountain portils. The town-day safari, via Nairobi, costs from £1,498 per parson. The company is also introducing a new lummy is also introducing a new lummy African camping safari "Kenya Under Canvas". Prices start at £1,680 per person for 13 days safari, with a supplement of £321 for an optional four days extra at Nyali Beach. Also new this pear are desart safaris in The United Arab Emirates. Seven nights "Emirates Advanture" start from £724 per person.

The Africa Bound Holidays brochure includes safaris and treks in Zambia, Zimbabwe, Matreis in Zambia, Zimbabwe, Ma-lawi and Botswana, as well as "flamingo trails" in Kenya. A 19-day trip taking in Zambia, Zim-babwe and Botswana, including safari drives, veld walks and op-portunities to unwind at a lake-side hotel, starts from £1,649.

\*Kuoni Travel, Dorking (0305): 88504; Sovereign, (01) 748-4495; Silk Cut Travel, Petersfield (0730) 65211; Stuart Alderman (01) 946-5155; Wings, Waltham (0892) 87277; Meon, Petersfield, (0730) 68411; CV Travel (01) 521-6 581-0851; Caravela (01) 630-5223. Abercrombie & Kent, (01) 730-9600, Tradewinds (01) 731-8000; Africa Bound Bolidays (01) 493-4388; Caribbean Connection (01) 631-4787.



A contender for Car of the Year 1988 is the Peugeot 405. The most powerful version, the 405 MI 16, will be on sale in Britain next year.

# Citroen's supermini

WHO WILL win the Car of the Year contest for 1988? If it were down to sheer weight of num-bers, it would be a Japanese walkover. They have six of the eight entries; yet the winner will almost certainly be one of the two Engreeans.

والمنطوع والمحارض المراكب المراكب والمراكب والمر

the two Europeans.

The line-up is Citroen AX,
Daihatsu Charade, Honda Prelude, Mazda 626, Mazda 929, lude, Mazda 626, Mazda 929, Pengeot 405, Toyota Camry and Toyota Corolla. There are some notable absentees from the list selected by the organisers to put before the 57-member jury of European motoring writers. As I am not among them, I am free to comment.

Why, for example, is the BMW V12-engined 750 not among the runners? Because, say the organisers, it is not sufficiently different from the other 7-Series models despite its highly

ganisers, it is not sufficiently different from the other 7-Series models despite its highly advanced electronics which make it, assort other things, the first production ear not to have a mechanical think between accelerator pour and the fuel injection system?

The Renault 21 Turbo is also missing and so are Honda's new Civics apparently because not enough of them have yet reached the showrooms). Alfa Romeo's promising new front wheel-driven lipo 164 salcon is excluded for the same reason. But at least the alleged 200 mph Farrari F40 has not been included, either.

The enthusiast motoring press has been alavering over this thinly-disguised racing car for the mega-rich. I find the idea that it could reach the public highway in the hands of anyone but a highly-skilled driver, frightening indeed. But back to more sensible things.

The Citroen AX is a car that was designed by computers to be made cheaply by robots. It is

rivals like the Renault 5 and its stablemate, the Peugeot 205; and more than 4,500 have been

and more than 2,000 have over-sold in Britain so far. Only three-door versions have been available but a five-door will be offered soon and so will an 85 horsepower, 112 mph (180 kmh) AX GT which is already on sale in France and will cost under 27,000 with right-hand drive. I think the AX will be chosen Car of the Year 1988, although not by a wide margin.

The Peugeot 405 is also an

though not by a wide margin.

The Peugeot 405 is also an outstanding newcomer and could be first or second. So far, it has been seen only as a four-door saloon in European merkets but it reaches Britain, conventry-assembled, in January, Future versions will include a 16 valve-engined high-performance model with four-wasel drive, as well as dissals and estates. It knows elegant, rides most comfortably, handles tidily and is everything a family-cum-fleet seloon in the Sierra/Cavaller/Renault 21 class should be.

should be.

If the jury members do decide to let a Japanese car win, it must be the Honda Prelude. This two-litre, 16-valve luxury sporting coupe takes a significant leap forward in safety and convenience by offering buyers four wheel steering for the first time, although Mazda's 626 with 4WS will be here by the spring in a 4WS Prelude, changing direction at speed is safer and parking in confined spaces much easier than in a similar car steered through the front

much easier than in a similar car steered through the front wheels only.

Any of a trio of Japanese cars - Daihatsu Charade, Mazda 626 or Toyota Corolla could fill the next three places. The Charade is a mini- marvel, with a three-place extinct of last turn under the could be seen to b

one litre and a body that manages to combine agreeably curvy styling with good interior space. Most attention has been concentrated upon the GTI which has a 12-valve (four per ylindar) engine developing an attention of the color of this column.

Mazda's 626 salcoms, hatchbacks and coupe (this column.

backs and coupe (this column, September 17) and the new Toy-September 17) and the new Toyota Corollas are typical of the latest Japanesa products. All have multi-valve cylinder heads. Their quiet and silken transmissions prove that five speeds, front-wheel drive and transverse engines do not have to go with notchy gearshifts.

to go with notchy gearshifts.

The two remaining cars Manda 329 and Toyota Camry, are rank outsiders in the Car of the Year contest. I have not tried the latest 329, which is not sold in British, and the Camry, in Japanese terms, is hardly the latest model. It was launched as lung ago as January this year, whereas the Corolla made its debut late in the summer.

As I have observed before, Car of the Year juries have brought in some controversial—

brought in some controversial brought in some controversial-even perverse - verdicts in years gone by. It could happen again. But if I were making a book on the result, I would quote evens for the Ciroen AK and Peugeot 405, 2-1 against the Honda Prelude and 3-1 against

the Toyota Corolla.

The Daihatsu Charade would be 7-2 and the Mazda 626 4-1.

The Mazda 929 and Toyota Camry, although I know the latter to be a pleasant vehicle, are no-hopers for Car of the Year If I were a tipster, not a book-

ie, my nap selection would be the Circon AX. The result will be known before the end of No-

Stuart Marshall

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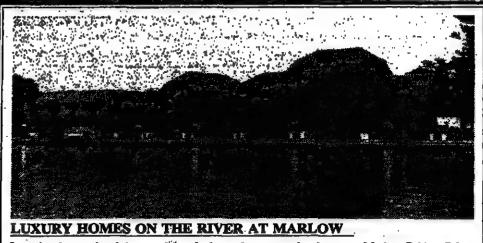
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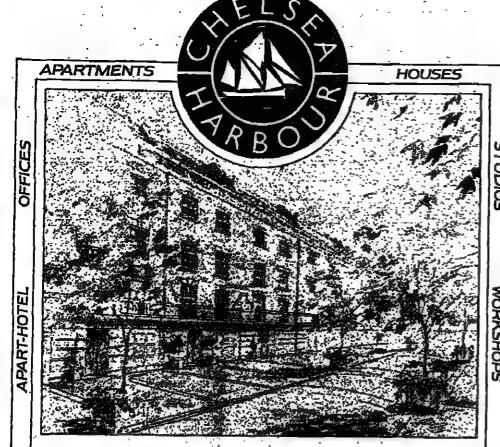
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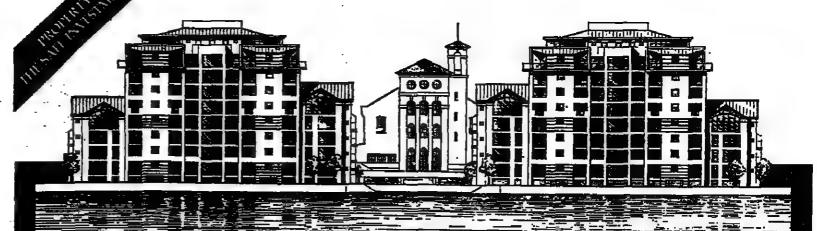
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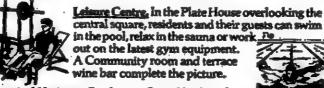


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elax, Stroll through the tranquil squares and cobbled streets of Burrells Wharf or enjoy the creative energy of the Plate House Gallery where artists and designers work at their crafts



ge. On this site Brunel built and aunched The Great Eastern - some of the timbers and piles

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fast area comes complete with fitted appliances by Bosch: oven, hob, 'fridge, freezer, dishwasher, washing machine. and even a microwave. Of course, attractive ceramic wall and floor tiles are etundard.

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area and a relaxing whirlpool bath. Gas central heating is, naturally, stan is carpeting throughout.

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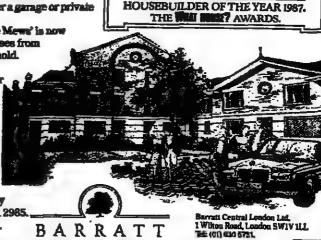
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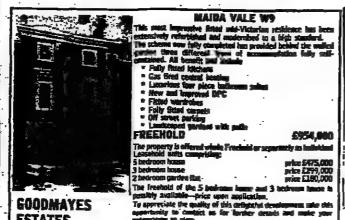
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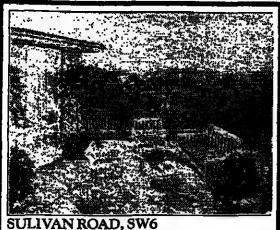
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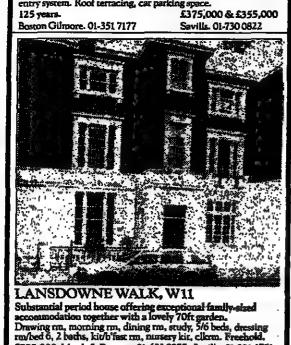


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HELPING PEOPLE to choose their new home is one of those odd jobs—like interior decoration, party planning and even flower arranging—that attracts a cast of "debbie" characters, all of whom seem to operate from Chelsea mews, all tending to make up in enthusiasm for

hunters. Once again these are invariably women, only this time they tend to be of a "certime toey rend to be or a "cer-tain age" and of the "tough deb" variety; people who in another age woud have been found riding camels across some stretch of Empire to establish firm rules of behaviour for tea at the

Residency, or organising fours for bridge deep in the jungle. The Association of Relocation Agents (0235 851141) now represents over 140 of these advisers around the country. It acts as a free information exchange providing people who think they may need help in a move with a contact list of association members in their area.

The association also includes a number of the specialist companies in this field, including Merrill Lynch Relocations Management (01-629 8222).

Merrills and groups such as Homequity (01-635 1519) and Lloyds' Bank Black Horse Pany movers variously estimated movers, ironing out the problems for businesses shifting staff across country or across frontiers by handling the staff moves are dealt with by relocation companies out of a cother end of the move. Costs total mobile population of comdepend on the level of service required, but fees range around a per cent of the resale value of the existing home.

Toms says: "There is enormous scope, because it allows initially at company moves to involving 10 or more people a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and buying service, but most agents will act for a selection and selection and buying service, but most agents will act for a selection and selectio

· PROPERTY ·

# Experts on the move

all of whom seem to operate from Chelsea mews, all tending to make up in enthusiasm for what they lack in terms of formal agency training.

At another end of the scale there are the ferocious house hunters. Once again these are invariably women, only this invariably women, only this invariable with the scale in sc Relocation Service under the direction of former Homequity man Jon Tams. The name Pickfords fords is pretty synonymous with home moving and so when I was first talking about the idea with them the only real question I raised was "Why haven't you done it before?"

Pickfords, part of the National Freight Corporation, already handles and the corporate relocators lie a growing number of professional specialist home moving businesses able to find homes for individual buyers. Most are agency offshoots, such sive in salary costs. Fifteen per don offices. Other variants on the corporate relocators lie a growing number of professional specialist home moving businesses able to find homes for individual buyers. Most are agency offshoots, such sive in salary costs. Fifteen per don offices. Other variants on the corporate relocators lie a growing number of professional specialist home moving businesses able to find homes for individual buyers. Most are agency offshoots, such as the sales teams working out of Hanover Druce's central London offices. Other variants on the corporate relocators lie a growing number of professional specialist home moving businesses able to find homes for individual buyers. Most are agency offshoots, such as the sales teams working out of Hanover Druce's central London offices. Other variants on the corporate relocators lie a growing number of professional specialist home moving businesses able to find homes for individual buyers. Most are agency offshoots, such as the sales teams working out of Hanover Druce's central London offices.

Freight Corporation, already handles a lot of the physical moving work for companies and for their staff in Britain, and in for their staff in Britain, and in more than a dozen other countries. A specialist home relocation service did seem to be a logical addition to its services, particularly since the UK market for company relocation work is still wide-open.

It is commonplace to call in the specialists when moving staff in the US, but in Britain, as Tams says, only around 10,000 staff moves are dealt with by relocation companies out of a

# removal services

In Pickfords' case, paying to handle a move includes getting two independent valuations on an existing house, arranging its sale and looking after the place sale and looking after the place until it is sold as well as organising the move and advising on available properties at the other end of the move. Costs depend on the level of service required, but fees range around 4 per cent of the resale value of the criticist have sale value of

cent of their profit contribution the theme are the increased could have a lot of nonghts on it."

In Pickfords' case, paying to what is becoming a market wide effort by estate agents to improve their client services. improve their client services.

Folkard & Hayward's recently introduced "painless move" service offers prospective customers the opportunity of discussing background information on schools, transport and other facilities in particular areas in far more detail than you would normally expect from a meeting with a sales pego-

727 1977) is providing an up-market home finding service for market home finding service for people who are not necessarily looking in a specific area. They find country estates as well as town houses for clients all over Britain, helping to select areas and properties for people who do not relish the prospect of endless weekends touring around a long list of possible properties and who want to have their purchase negotiations handled by professionals. Emily Anson Relocations (01-235 4560), named after its

235 4560), named after its founder, operates in similar way in Central London. And what helps to distinguished Anson's Sloane Street business from the average Sloane Ranger home hunting operation is her background as rentals manager of Chestertons.

She says: "There are a great number of people operating businesses like this from home. businesses like this from home.
But I'm not just a little girl who
hasn't anything else to do. I do
know the schools, I do know the
lease terms on the major
estates, I know the market
because I've been working in it
for a number of years."

For £300 fees and expenses in

advance (that is deducted from a 1 per cent charge on the value of a property that has been found and bought) Anson clients get a "24 hour service." But by knowing the Central London market Anson expects to be able to find a place that clients will want to buy after detailed will want to buy after detailed discussion about what they think they would like, and a very few viewings. "Most people know how much they want to spend, and they have pretty clear ideas about the size of

place they need." Anson has found that "they're all very edgy about the market as it has been so active, and as as it has been so extre, and as they haven't the time to be quite as knowledgable about it as they would like. They are keen to know that they are paying the right price for a place. Everyone asks 'can you get me a good deal,' but then they see somewhere and fall in love with it, and you find that you're having to stop people rushing in to pay too much."
Given a free choice, what

would Anson regard as an ideal "I think that you have to go for

registrative about them, a great view, or a particularly good reception room, something that sets them apart... but not too far apart so that they are difficult to resell?

difficult to resell" As for areas, outside of the normal west central parts of London Anson thinks that Maida Vale houses are particularly good value at the moment, and she sees plenty to go for in Ealing, with its direct Tube links into the City.

FOLLOW the MI up from London or take the line of the M40 extension from Oxford up into Warwickshire, Worcestershire and even listo South Staffordshire and home buyers from the South East are beginning to meet increasing competition from Birmingham buyers as both travel away from their respective cities in search of country homes.

James Way of Knight Frank & Butley's effice at Stratford-upon-Avon reports that a third of the 400 people on his books now looking for homes in the area worth £200,000 or more are from the South East, and a third are from the Midlands.

"Only two years ago 29 percent would have been from the south east and just 15 per cent from the Midlands." (The other third—just in case you thought

from the midiands." (The other third—just in case you thought that Hr Way adds friends and relations to his clients list to make up a nice round 400 applicants—are locals, plus a few eversess buyers drawn to Bard country or continental commuters using Birmingham International Airport.)

KF&B reports that five-bed-room period and modern executive homes with up to an acre of garden in the £250,000 to £450,000 price range form the most active part of the mar-

Hobby farming hasn't yet caught on in this area, from Warwick in the north, west to Henley in Arden, and south to Stratford. But as suitably sixed country

homes become increasingly rare, Way expects that, just as rare, Way expects that, just as in the south and south west, an increasing number of buyers will become willing to take on smallholdings of 100 acres or so to acquire a farmbouse. He finds that buyers from London tend to move into the area with their families, but retain a pied-a-terre in the capital rather than try committing every day, although the fast services from Rugby station are just 60 minutes from London and Stratford-upouals on rail link takes one hour and 50 minutes.



YOU DON'T get tee is chances to buy your own Victorian Gothic castle, and Pech-forton Castle, built by Anthony Shaw for John, later Lord Tol-lemache between 1844 and 1851, is certainly one of the

Described by Sir George Gilbert Scott as "the very height of inasquerading," Peckforton Castle stands on the Cheshire hills 12 miles from Chester and

Listed Grade 1, and used in the past as a film set for Robin Hood, the building is new being offered for sale by tender

by Strutt & Parker (61-629 7282) with a December 3 closing date. Planning consent has been granted to convert the buildings into an hotel, and the





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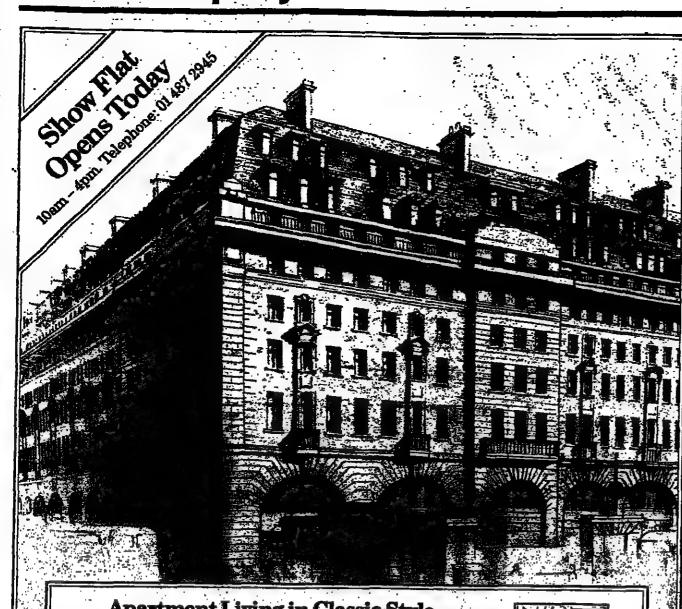
The man to speak to is Duncan White, on 01-623 9661. It shouldn't take long to arrange a meeting (or even a mortgage).



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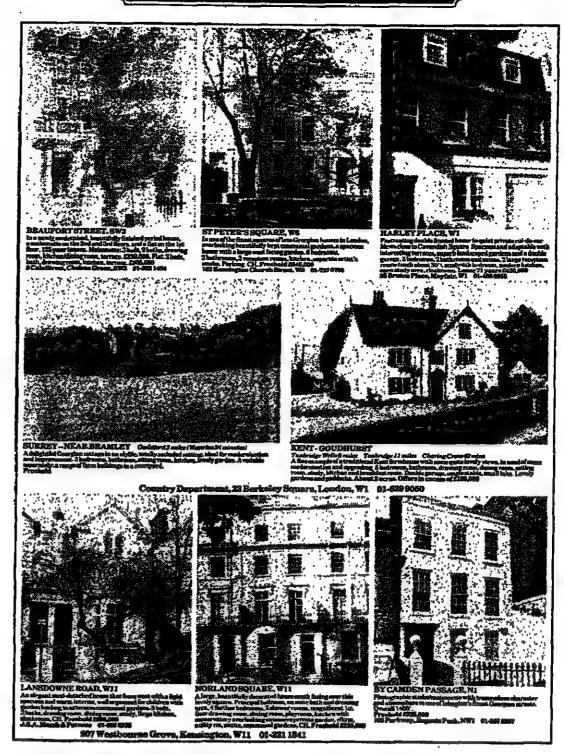
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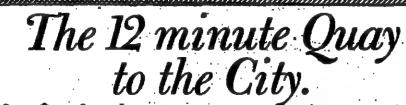
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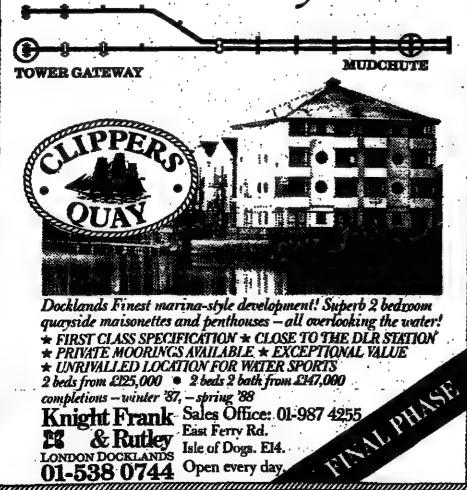
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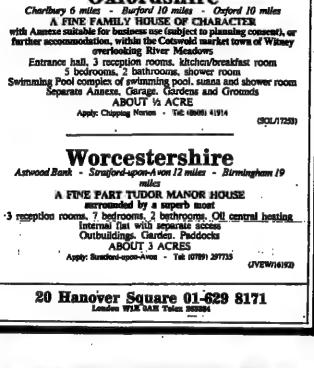
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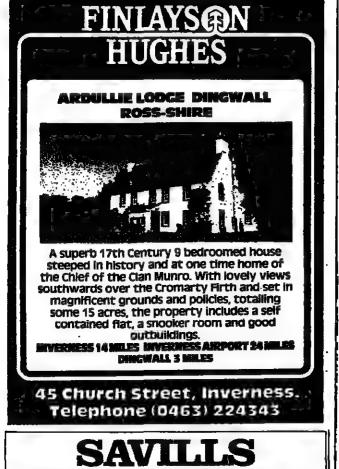


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### · PROPERTY ·

John Brennan offers some advice on replacing fallen trees

ONCE THE chain saws have and recreation department. finished slicing up the trees "Usually" in this case blown over by the recent hurricane, homeowners across the on individual councils whether South East face the job of filling it takes its trees seriously or not, raw gaps in their gardens. If the and whether they do have some winds happened to rid you of one who knows a Willow from a some 40-year-old monster of a sycamore that has been a plague merely trees as roadside obstato your lawn for years and blocked out much of your sun-

blocked out much of your sunlight then it may well have been an ill wind.

But most people will be in a replanting mood, and in that case the problem is finding out just how to plant what, where, and, as the Tree Council of Great Britain says, how to get a proper tree surgeon or qual-

proper tree surgeon or qual-ified tradesmen," and avoid, "the awful lot of cowboys who operate in this area."

The Tree Council recom-mends that, as a first step, it is usually worth having a word with the local council's tree officer, someone who is likely to be within the planning or parks

cles that need hacking about now and again.

Assuming the "tree, or arbor-icultural officer" is more than a icultural officer" is more than a notional title, the Tree Council, which represents 33 different organisations concerned with just about every aspect of trees you can think of, reports that they are likely to be a good source of information about successful local and regional tree types, soil types, and all the other factors that go towards deciding what to plant.

The Arboricultural Association (0794 68717) is the body that keeps track of professionals in

keeps track of professionals in the tree trade, and so that's one way of sidetracking the cowboy.

builders with a chainsaw and a "hack it into submission" approach to tree surgery. Beyond that you're into Fore-stry Commission territory.

Although the commission's Although the commission's role limits it to commercial forestry, as the country's tree authority it does deal with everything from the vast northern forests to small woodlands. And for people with at least an acre of trees to deal with, the commission does act as the grant authority for a number of schemes aimed at planting bare land or restocking and rehabilitating currency unproductive woodlands.

The commission explains that all the grants it deals with presuppose that woods will be used

all the grants it deals with pre-suppose that woods will be used for timber production. But with broadleaf plantings that's a long time in the future, and in the meantime, grants of between £830 and £1,200 a hectare—for conifer and broadleaf planting respectively—are available to

permission) who submit a satisfactory woodland plan, and have their local authority's planning permission to create or restock a wood.

The commission is to restore six fallen caks for a currently denuded Sevenoaks in Kent Otherwise, "The Commission wouldn't normally be involved in putting a few trees back in people's garden. We'd be lyn-ched by local tree surgeons and garden centres if we did."

mum of one acre of wind rav-aged trees, or with an oversized garden and a wish to help restore the South East's tree restore the South Last's free count, can get further information on the planting and rehabilitation grants and background notes on broadleaved woodland management from their regional office of the Forestry Commission.

# No need to fret about thatch

"PEOPLE still have the strangest ideas about thatched roofs. They think that the insurroofs. They think that the insur-ance costs are going to be horri-fic, and there's all this business about things in the roof—mice and birds and rate and spiders and things that go bump in the night . . . its all nonsense, of course." Paul Stickley of Elliott & Green Nationwide's Lyming-tem Office finds that there are at Green Nationwide's Lyming-ton Office finds that there are still quite a number of home-buyers who shy off thatched properties despite the fact that insurance costs are only mar-ginally higher than homes with alate roofs and modern thatch

state roots and modern thatch netting keeps unwelcome roof dwellers at hay.

"There are a lot of people who are worried about thatch, but apart from the fact that people in thatched houses don't have man first results seem for the open fires roaring seven foot up their chimneys, and they don't light bonfires against their back walls, there's no real differ-



thatch could, of course, ease the competition for hirsute-roofed country homes. But in the New country homes. But in the New riced about thatch, but om the fact that people hed houses don't have the rearrang seven foot up timneys, and they don't offires against their back here's no real differences no real differences. The real differences have a residual resistance, to thatch leaves little scope for

"I would say that cottage prices have risen by around 25 per cent this year," says Stick-ley, whose office (0590-77222) has a classic example of a pre-planning restrictions extended cottage on its books in the force cottage on its books in the form

of the £275,000 Plumtree Cot-tage, near Sway in Hampshire. The five-bedroom thatched

house started life as a New Forest cob cottage in the 1760s. But a couple of thousand square feet of additions later, it's a fulscale family house set in three quarters of an acre of garden and ideal for anyone without thatchophobia and not as Stickley WEUS. ANYONG too Itil To ley warns, anyone too tall." It has all its beams in place, and it might be a problem for anyone over six foot one or so."



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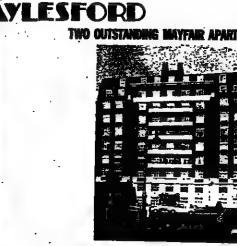
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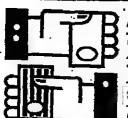


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# FINANCIAL TIMES:



day October 315

llen trees

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After the stock markets' dive, the unit trust industry faces a setback to expansion, particularly among

small investors, says John Edwards. Important changes lie ahead, too. notably competition from the life companies, regulation in the UK, and new legislation from Europe.

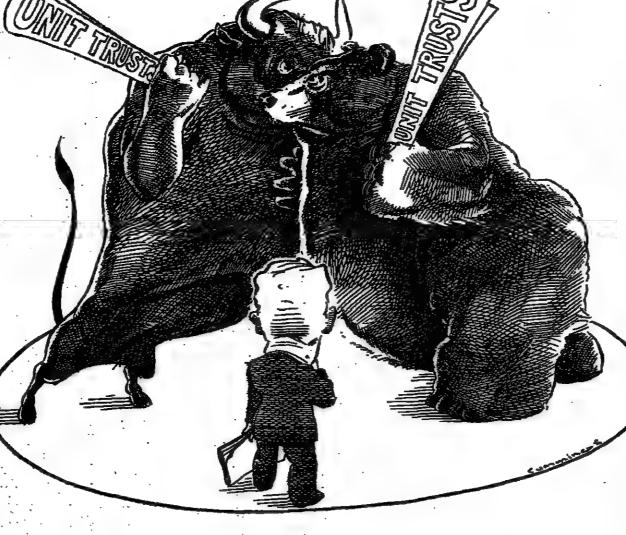
# Into the unknown

PT WAS tremendous while the built market lasted. But how easily can the unit trust industry 493 trusts, with less than 155ha cope with the problems of the world-wide equity market shak-

CH SLEHLES

world-wide equity market shakcout?

During the past year records
have been chalked almost every
month. The value of funds under management in unit trusts
has jumped by some £20bn in the isst 12 months to total over
£30bn. New monthly sales recently have comfortably ex-



# Unit Trusts During the past year records have been challed almost every month. The value of funds under management in unit trusts inche management in unit trusts inche management in unit trusts in the more been eager to get into the funds by some £100n. New monthly soles is recorded £10n and the number of unit trust accounts has surged to some £100 min trust accounts has surged to some £100 min trust accounts has also without a new interest-bearing accounts. The constant companies has recorded that the unit trust groups of the very trust accounts has also with the part of the funding society of unit trusts available. Hardly a week has passed without a new fund trusts available. Hardly a week has passed without a new fund being launched. The 1000 mark was been 457 per cent, against owner trust and being launched. The 1000 mark was breached early in the years, the average remains companies has surged as well, to avound 150 different of choice for investors. Until the crash that began or choice for investors, and the total has now controlled the companies has surged as well, to avound 150 different of choice for investors. Until the crash that began or choice for investors, and the total has now controlled the companies has surged as well, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has aveil, to avound 150 different of the life assurance companies has av

135,000 investors, of which 60 it is those groups with the reper cent were going into a unit trust for the first time. Their vestor, and handle their actiming, of course, turns out to have been distinctly unfortunate.

The failure to reach the difficulty to win the most new businesse.

The failure to reach the difficulty personness in the years ahead. The transparence investment of £1,760 became under increasing competitions and extra costs that demonstrated that the is fixing some of the most radii-cult.

Already the industry has fallen on out with the Securities and Investment Board over its proposals for a new way of pricing unit trusts. The most contentious issue is the plan for forward pricing of unit trusts, aimed partly at preventing misuse of the manager's boar of surplus units that should be used to smooth out fluctuations in the value of the fund, and partly at protecting existing un-

Choosing trusts; profiles: GT Unit Managers and Fidelity 3 Savings plans: New entrants

itholders who can suffer if new units are created at prices out

pricing works perfectly adequately in the US, but British unit trust groups say that the American market has a very dif-ferent structure. Most mutual funds there are sold direct to the public by companies who are able to update prices on a hourly system, whereas in Britain the bulk of unit trusts, some 70 per cent, are retailed by intermediaries, including soned investors know that the hour market words have market trust industry may be facing its biggest crisis of confidence since 1974. Seaboned investors know that the by intermediaries, including banks. In any event, they argue, there is as much, if not more, scope for fiddling on forward pricing than on the "box" system which is designed to protect the interests of existing unitholders. They say that buying forward at an unknown price will be anathema to UK investors. But their arguments have been rather dented by the pricing confusion which arose when the equity market suddenly collapsed in mid-October.

While the SIB might be forced

The SIB claims that forward

While the SIB might be forced to give way on the forward pric-ing proposal, there is no doubt that the unit trust groups will be subject to a lot more regulation and control than in the past. So and control than in the past. So far the industry has been controlled mainly by the Department of Trade and Industry directly, and has enjoyed a fairly cosy relationship. But the relationship has been successful too, when you consider that the unit trust industry has avoided some of the scandals that have marred the reputation of other sectors in the City. ctors in the City.

But with the Government de-termined to show that it is serions about providing more pro-tection for investors, there is no way that the unit trust industry can avoid being far more tightly

In any event, this was inevita-ble with the proposed harmoni-sation of unit trust legislation in sation of unit trust legislation in the European Community, scheduled to take place at the end of 1968. The so-called Ucits (Undertakings for Collective Investments in Transferable Securities) legislation is supposed to open up the EC market to unit trust groups in all the member countries to compete on level terms, but there is a ridar that the local country rules and regulations must be complied with as well. So it may be a long time before there is real competition within the Community, bearing in mind the very different local conditions.

Regulation aside, the

Regulation aside, the short-term future of the industry now depends mainly on whether managers can pick up the pieces after the abrupt end-

ing of the long stock market

whom have never operated in a bear market, have always claimed that they would be bet-ter equipped nowadays to deal with a collapse as a result of the much greater spread of invest-ments internationally and more sophisticated trading tech-

bear market rough has to be tak-en with the bull market smooth, en with the bull market smooth, but unit trust managers have lured in many first-time inves-tors on the basis of glossily packaged performance claims. Most such punters will not have paid too much attention to the routine warning that shares

can go down as well as up'. The task for unit trust managers will be to prevent too many inves-tors from rushing back into the safe havens of the building soci-

Another possible threat to unit trusts is that, in the forth-coming Budget, the Chancellor of the Exchequer may introduce tax reforms or measures that would promote wider share ownership in a different way. The abolition of capital gains tax would, for example, remove one of the major attractions of investing through unit trusts rather than directly in shares. Mr Lawson is known to be keen mr Lawson is known to be keen to promote direct ownership of shares for political reasons, so that the investor (and potential Tory voter) is much more closely involved in the capitalist

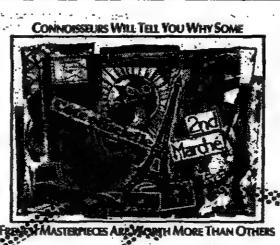
But other new rules proposed by the Department of Trade and Industry could bring new opportunities. The scope of permitted unit trust products will be enlarged to include money market funds and other areas, like commodities and property, previously forbidden for onshore, authorised, trusts. There will be restrictions on how certain of the new products can be sold, and indeed many groups would like some of them to be classified separately so that high risk funds are not sold as anti trusts. But the more products you have to offer, the great-

unit trusts. But the more products you have to offer, the greater the potential sales.

In view of the damage suffered by their basic equity funds, unit trust groups may welcome the opportunity to diversify into new products. Otherwise, intensifying competition could hite much harder than it has in the recent lush years of the long bull market, which has come to such a spectacular conclusion.







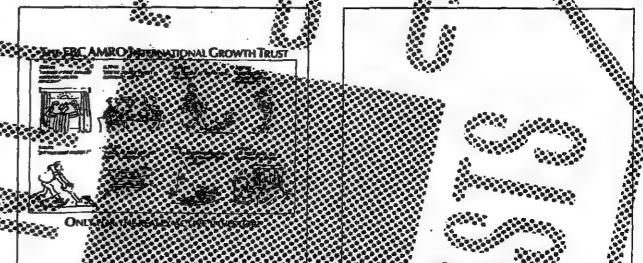


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# Protecting the investor

Act, which comes into operation next year, introduces a new regulatory structure not only for the City but for the whole of the UK investment scene.

The underlying reason for it is the protection of the investor. The unit trust industry has operated for decades under the supervision of the Department of Trade and Industry. Uni-tholders have been well protected. Nevertheless, the industry has been caught up in the changes, possibly in a manner

The Act establishes a self-regulatory system within a legal framework. The Securities and designated body to operate the Act, with five self-regulating or-ganisations (SROs) covering all arkets within the financial

Any investment firm wishing to operate when the Act comes into effect must be authorised either by one of the SROs or di-rect by the SIB. However, those firms operating within the unit trust industry or connected with it will be involved in one way or another with the SIB and three of the SROs.

First, the SIB is taking over from the Department of Trade and Industry the responsibility for controlling the overall operations of the unit trust industry and the authorisation of individual trusts.

Next the actual authorisation of the unit trust management firm will be the responsibility of the Investment Managers Regulatory Organisation (Imro) - a rather surprising situation. One could be forgiven for thinking that unit trust authorisation would be handled by another SRO - the Life Assurance and Unit Trust Regulatory Organisation (Lautro). However, this SRO will be responsible for all aspects of the marketing of unit trusts - advertising, direct sales and the thorny subject of commission payments to indepen-dent intermediaries.

Finally, the authorisation of those independent intermediaries who sell, manage or advise on unit trusts will be given by the Financial Intermedia aries, Managers and Brokers Regulatory Organisation (Fimbra).

One could envisage bureaucratic problems dealing with different organisations. Fortu-

thorised by Imro because they sell these products by 'cold-are essentially investment man-calling', the term used for unsoagement bodies, offering their. services to the public. Imro is best placed to check the competence and integrity of fund man-agers, as well as the financial undness of a firm. The responsibility of the fund

managers within a unit trust group rests with the chief executive, who may or may not be a fund manager himself. Imro will be looking at the whole amalgam of a firm - not just its executives - even though the chief executives accounts response. chief executive accepts respon-sibility for all employees, in-cluding fund managers. Details of all fund managers will have to be given to Imro, which will want all contracts of employ-ment of fund managers to be held centrally.

It is not clear at this stage how Imro will check comptence.
With investment management,
the proof of the pudding is in
the eating. It is obvious that it
will be very much more difficult major financial institution. Any

Expert fund managers are in short supply and highly mobile. The loss of two or three key fund managers can turn a group's overall investment performance upside down very quickly. Imro will be taking note of the movement of fund managers and the effect on a group's investment shility.

There is enough material on the marketing of unit trusts and the consequent regulations to fill a book, but the underlying philosophy is that of disclosure: the potential luvestor must be told everything about the in-vestment product be is interest-

The SIB tried to match this philosophy in its rule book, with he result that newspaper advertisements - an important marketing outlet for unit trusts-would have filled a broadsheet page, most of it explaining why investors should not buy the product

Lautro, which is manned by practitioners, rather than civil servants, has produced a more understandable, workable set of regulations which would not

Vest End of London. legislation allows life assur-Unit trust groups are to be au- ance and unit trust salesmen to licited calls. No other investment products can be sold this

way.
While cold-calling has been while cold-calling has been an important marketing outlet for life assurance for decades, it is a new venture for unit trusts. However, the Prudential has shown that its direct salesmen can sell successfully sell unit trusts door-to-door.

However, there is a battery of rules, known as a code of con-duct, for cold-calling, and, for the first time in unit trust sales, investors have the opportunity to change their minds and get their money back (or most of it, if the market is falling) under the cooling-off procedures.

Another main concern of Lau-

tro is the commission payments to intermediaries and the charges levied from investors. The unit trust groups have al-

However, under the legisla to set up a new unit trust group tion, independent intermedi-unless it has the backing of a aries will have to disclose the actual amount of commission major innancial institution. Any actual amount of commission budding entrepreneur must received known as "harsh dishave a fund management team closure" - unless they are operating authorisation.

Expert fund managers are in short supply and highly mobile.

Lautro has produced an industry scale, while at the same time harmonising payments between unit trusts and life bonds. The industry was successful in getting life companies to bring their commission payments on bonds down to the existing unit trust levels.

More intermediaries are now

selling their clients unit trusts rather than life bonds, and this ranger than the bounds, and this trend is likely to continue as the financial services legislation beings to bite. Best advice and know-your-customer are two es-sential elements in the dealings their clients - and since, in most cases, unit trusts offer better re-turns than life bonds, because of the tax position, then best advice would require intermediaries to recommend trusts. .

How Fimbra will intrepret best advice as far as it affects the independent intermediary remains to be seen. To date, Fimbra has been mainly con-cerned with sorting out the fi-nancial aspects of fee levels for intermediaries. intermediaries.

nately, Imro and Lautro occupy stiffe this marketing outlet. Fimbra has defined four cate-adjacent offices in the same But marketing is not solely gories of independent interme-building - Centre Point, in the confined to advertisements. The

of involvement with clients' money, with the aim of not over-charging the small independent who does not handle clients' money.

Now it needs to get down to guidance on how intermedi-aries should choose between life companies and unit trust groups, and between various types of trusts.

As far as unit trusts are con-cerned, this is likely to involve intermediaries ensuring that their clients understand the nature of the underlying invest-ment risk in each type of trust. Further commentary will have to await publication of the

**EC** harmonisation

# **Ucits will help** remove barriers

THE YEAR 1992 is a fast-approaching deadline, engraved on the hearts of all businesson the hearts of all business-men eager to meet the opportu-nities and challenges that will be presented by a more open "internal" European market. It is the date by which the Eu-ropean Commission hopes to have torn down the the major barriers that inhibit trade between the member states of the

European Community.

For fund management groups. however, the key entry for the diary is probably October 1989, when the so called Ucits directive - standing for Undertakings for Collective Investment in Transferable Securities - finally comes into effect

comes into effect.
This clumsily named piece of legislation will allow financial institutions to operate through-out Europe on the basis of an out Europe on the basis of an authorisation in one member state. It was adopted by the EC Council of Ministers in December 1985, but because of the lengthy delay in implementation will have been put on the back burner initially by most of those who will shortly be able to take advantage of it. The time for dusting down is now overdue.

Many British unit trust groups are put off continental Europe industry is clusive, comparative performance figures rare, and the legal structure of many of

me investment vehicles unfa

There is little doubt, however, that the European industry is sizeable - more than £200bn on one estimate, compared with the UK's £43bn - and that there are rich pickings for any fund management group that can get

management group that can get the formula right.

In theory, it should be possi-ble for fund managers to do business across national fron-tiers, given that the Treaty of Rome specifically refers to the tree rendering of services free rendering of services throughout the Community. The problem is that barriers have been created by different inves-tor protection rules, which, even if applied without discrim-ination to home and foreign based institutions alike, effec-tively prohibit cross-border operations

As one Commission expert in Brussels explains: "In West Germany an investment company has to have a bank as a depository, but in many other countries this requirement does not exist. Equally, in Germany a fund can borrow up to 10 per cent of its assets, whereas UK authorised unit trusts are not allowed to borrow anything."

The only way out, therefore,

was to harmonise the most im-European basis, so that funds which met these requirements Continued on next page

# Pricing plan causes disquiet

Rules and regulations

The second of th

FOR OVER 50 years the unit tions on the industry. trust industry has operated un-der Trust Law within the over-Under the 1986 Financial Services Act, the SIB, the overall body responsible for adminster-ing the financial services legis-lation, takes over from the DTI all supervision of the Department of Trade and Industry.

As a supervisory system, this has worked well. It received praise from Prof Jim Gower, the the supervisory responsibility for authorising unit trusts and original architect of investor protection. Indeed, in his recontrolling the industry. The SIB found that the monitoring procedures operated by the de-partment had been developed port, he asserted that the indus port to asserted that the indus-try, if anything, was over-regu-lated when every other investment industry was criti-cised to a greater or lesser expiecemeal over the decades on an ad hoc basis with a high de-

gree of informality.

The system has worked well, primarily because of the relationships built up between the established unit trust groups, Consequently the unit trust industry itself was taken aback when the Securities and Investments Board (SIB) last month the trustees, the Unit Trust Asput forward proposals to im- sociation and the DTL pose a whole batch of regula. The groups, by and l

sociation and the DTL

The groups, by and large, still
adhered to the principles laid
down by Ian Fairbarn, the
founder of the M&G Group and
the father of the unit trust industry, in operating collective
equity investment schemes.

However conditions

However, conditions are changing rapidly in the investment world in general, and these are impinging on the unit trust industry.

A number of new groups have come into the unit trust field, particularly life companies, bringing a rather different attitude towards regulation. These new players have a more aggressive attitude towards marketing and commission payments, and the financial muscle to undertake rapid expansion.

The recent marketing cam-

paign from Buyal Life Fund Management, entitled the Roy-al Event, raised quite a few eyebrows among the estab-lished groups and drew consid-erable criticism of its promo-tional literature.

Second, the unit trust industry is expanding its operations, from being equity and fixed interest investors, into a much wider field, thereby competing more directly with other investment industries.

The established groups, happy to be able to offer cash funds, are being dragged rather rolps.

are being dragged rather reluc-tantly into many other new investment areas, such as property, traded options and futures.

EC harmonisation is responsible for much of this develop-

ment.

in such circumstances, the old style informal system could not be operated by the SIB, responsible for the whole investment industry. A formal system of monitoring was necessary, if only to ensure the cherished concept of a 'level playing field' between unit trusts and other investment industries such as

The UTA accepts this development and welcomes those parts of the SIB's proposed rules that formalise existing real time system then this probpractice. In particular, the prosed rules that will ensure that trustees fulfil their respon-

sibilities to units trusts are wel-Trustees will be required to make annual reports to uni-tholders on the trusts for which they are responsible. They are being told specifically not to create back units. And they are being told formally to take an active interest in the functions of the management groups, and not just wait for managers to report to them. These develop-ments are welcomed by the UTA, which feels that nothing

more is necessary for the effi-cient monitoring of the industry.

The trouble starts with the rest of the rules being put forward by the SIB. It has adopted the attitude that, if the means of abuse are present in the present system, then it must put up a set of rules that stop the loop-

stopped by other means.
This attitude is highlighted in the proposal to move to a system of "forward pricing", the system operated by mutual funds in the US.

For over 50 years, unit trust deals, both buying and selling, have been done on an historic pricing system. For example, if the managers make the price of the managers make the price of units at the close of business each day, then deals on a cer-tain day are transacted at the previous day's price. The advantage is that the unitholder knows at which price he is deal-

The SIB argues that historic The SIB argues that historic pricing works very much to the advantage of the manager, who knows how the market has moved since the last prices were quoted and can act accordingly. So it proposes to change to a forward pricing system, under which all deals will be transacted at the price quote. be transacted at the price quot-ed after the order has been re-ceived, thus preventing the manager from using his market knowledge. But it will also mean that the unitholder will not know at what price he is buying or selling.
The SIB further argues that

The SIB further argues that this is the situation when an investor deals in individual shares. The UTA reply that share prices are fixed much more frequently than unit trust prices. It feels that its main competitor is not equity share

tracts and offshore funds, both of which use historic pricing.

If a unit trust price was on a lem would not arise, since forward and historic pricing would both be on the same basis. However, the rules do not stop there. The SIB wants unit

trust managers to quote the ba-sis on which their prices are calculated - bid, offer or intermediate - and for this to be shown in the publication of the The UTA counter this propos-

al by arguing that, since there would be a forward pricing system, the information would be at best irrelevant and at worst misleading, as it would be no guarantee that the next price would be on the same basis as the last price.
Finally, the SIB intends to re-

move any other opportunities for abuse by managers, by re-quiring them to instruct trustees as to the number of units to create or cancel within a specific time of making the price - two

hours is suggested.
This may be feasible if management groups have sophisti-cated computer based administration systems, but generally it is far too short a time period. It elso means that if groups make prices at the end of the day, then newspapers would not be informed of the new prices until after the early editions of the paper have been set - prices shown could be two days old.

The UTA response to the pro-posals will be going to the SIB on Monday, and it is obvious that they will oppose these particular aspects For its part, SIB officials have

also made it clear that they have not yet seen any evidence to make them rethink their aror make them rethink their arguments on forward pricing.

The UTA has been making even greater efforts that usual to get its side of the case presented to the media, and a battle royal looks in prospect on these

But this is not the end of the saga. Unit trust managers have for decades run a box - holding units sold back to them, rather than cancelling them to be sold later. The profits from running a box can be significant in a bull market. Next year the SIB intends to investigate this and other management activities where the manager acts as principle and agent. No doubt another battery of rules will

Eric Short .:

### **DEFUNCT ECONOMIST?**

John Maynard Keynes was, by any standards, an "all-rounder": economist, mathematician, philosopher and distinguished writer. His ideas were so dominant for much of this century that, when leading the British delegation that negotiated the foundation of the International Monetary Fund, he was moved to comment privately that "I am the only non-Keynesian in

But although few would dispute his genius, his conomic theories are, at least on the surface, no longer fashionable amongst policy makers.

A defunct economist with no "aleves"? SLAVISH TENDENCIES?

Keynes' activities as a highly successful private investor are much less well-known than versions of his economic policies. He made fortunes for himself, many of his friends and King's College, Cambridge by his careful, systematic, thorough and thoughtful analysis of

fixed interest, equity and commodity markets. In fact, all his writings and all his activities demonstrated the key quality of successful investment -the flexibility to adapt ideas, insights and professional

analysis to emerging market trends. Some aspects of his most famous economic theories may be inappropriate today – but his fundamental approach to markets is hardly defunct.

PRACTICAL MEN

At Whittingdale, we are not, by any means, "Keynesians", but we do appreciate his serious, careful approach to investment - just as we take into account all past and present ideas that are relevant to investment

Whittingdale is a professional company that manages more than £1 billion of gilts and fixed interest securities.

We pride ourselves on avoiding slavish tendencies to outdated ideas - while ensuring that our investment approach reflects the best available analysis.

PRACTICAL MEN



We are "slaves" to some things: serious investment appraisal, serious market monitoring, serious client service and, above all, the kind of conservative management policy that provides real opportunities while minimising the risks.

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Keynes would approve - but so would most

Whittingdale - practical men - with a real awareness of the difference between the useful and definet in investment analysis.

### WHITINGDALE

To find out more about Whittingdale (with no mention of Keynes) - just clip the coupon for a copy of our prochure.

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Address	

With over one thousand unit trusts available and more being launched each month, how do you know which to choose? In reality there are only three basic types of unit trust, and M&G has an outstandingly successful example of each: Recovery Fund for capital growth, Dividend Fund for an increasing income, and SECOND General for a

balance between income and growth. You should remember that new funds or funds which suffer a change of management are likely to be more of a gamble than those which can point to a long and successful record. M&G's investment team has remained largely unchanged for many years, and our long-term performance record reflects this. Past performance cannot be a guarantee for the future, but it

is usually the best measure you have of a fund's

likelihood of achieving its objective. The price of units and the income from them may go down as well as up. This means that unit trusts are a long-term investment and not suitable for money you may need at short notice.

Growth RECOVERY FUND

M&G Recovery Fund is probably the most successful unit trust ever launched and the table belowshows just how well it has achieved its aim of capitel growth. The Fund buys the shares of companies which have fallen on hard times. Losses must be expected when a company fails to recover but the effect of a turnround can be dramatic.

of M&G Recove	ry Fund on 23rd N	Asyc1969, with net	Income reinveste	d.
Year ended	M&G	F,T, ORDINARY	RETAIL	BUILDING
31 DECEMBER	RECOVERY	INDEX	PRICE INDEX	
23 May '69	£5,000	£5,000	£5,000	£5,000
1970	5,880	4,285	5,510	5,658
1975	13,200	5,560	10,641	8,894
1980	51,280	8,644	20,087	15,069
1985	135,400	24,737	27,617	25,471
10ct '87	338,160	42,380	29,444	29,577
The Building Se above the every	cially figures are i ugo yearly rate (so figures are of rea	sted income net o passed on an extra our at Building So issued values. To on 18th October	Interest account of clemes Association stameted.	flering 3%

Prices and yields appear daily in the Financial Times. The difference between the 'offered' price (at which you buy units) and the 'bid' price (at which you sell) is normally 6%. An initial charge of 5% is included in the offered price and an annual charge of up to 1% of each Fund's value – currently 14% – plus VII is deducted from gross income. Income to Accumulation units is remiested to increase their value and for income units. 20 Feb 15 Jan 15 Feb 20 Ang 15 July 15 Feb 15 July 15 Feb 15 July 15 Feb 20 15 July 15 Feb 25 15

tou can buy or sell units on any business day. Contracts for purchase or sale will be due for settlement two to three weeks later. Remuneration is payable to accredited agents; rates are available or request. The frustee for Dividend and Recovery is Bardays Bank Trust Co. Lunted and for SECOND is Lloyds Bank Ptc. The Funds are all wider-range investments and are authorised by the Secretary of State for Trade and Industry.

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income DIVIDEND FUND If you need income which will grow over the years M&G Dividend Fund

could be your ideal investment. The Fund invests in a wide range of ordinary shares and aims to provide above everage and increasing income and a yield about 50% higher than the F.T. Actuaries All-Share index. COMPARATIVE PERFORMANCE TABLE, \$5,000 rivested in income units at the launch of M&G Dividend Fund on 6th May, 1964, compared with a similar Year ended £5,000 5,100 5,380 8,150 12,140 32,580 63,910

Balanced SECOND GENERAL

M&G SECOND General Trust Fund aims for consistent growth of both capital and income and has a 31 year performance record which is second

Year ended -	MAG	on 5th June, 1956 F.T. ORDINARY INDEX	RETAIL PRICE INDEX	BUILDING
5 June '56' 1960' 1965' 1970' 1975' 1980' 1985' 10ct'87'	£5,000 9,760 15,860 23,240 39,920 97,700 273,000 556,460	£5,000 10,040 13,115 15,270 19,810 30,800 88,120 150,975	£5,000 5,646 6,746 8,571 16,553 31,247 42,959 45,801	£5,000 6,673 9,253 13,375 21,027 35,626 60,217 69,924
The Building Soc	ciety tigures are b se vearly rate (so	sted income net of lased on an extra- cince: Building Son e all realisation val	basic-rate tax.	

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The MAG SECURITIES LIMITED, MAG HOUSE, VICTORIA RUAD, CHELMSFORD CMI 1FB.
Please invest the sum(s) indicated below in the Fund(s) of my choice (minimum investment
in each Fund: £1,000) in ACCUMBILATION/INCOME units (delete as applicable or mulation units will be issued for Recovery and SECOND and Income units will be issued for

A contract note we exactly how much date. Your certification	t vou owe and	the settlement	GE PART MAN	
RECOVERY (MR. £1,000)	£	-00	BURNAME.	_
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THE M&G GROUP

o October

### **UNIT TRUSTS 3**

### Capital gain over live years Offer to bid price basis with income re-invested Sector Capital gain UK General **UK Growth** UK Equity Income Mbred Income Gift & fixed interest income Gilt & fixed interest growth Finance & property shares Investment trust units Commodity & energy international growth North America Europe Japan Australia International income

### Choosing trusts

Percent 0

# Balance lessens risk

abots offering chance of a life means seeking long-term per-time investment opportunities, formance figures. Look at re-bow does the investor decide in-to unit trust to put his hard-earned cash?

Source: Onal Statistics.Oct 161,1987

ere is now over £47bn under management by unit trust companies, and every month the Unit Trust Association recompanies, and every month the Unit Trust Association reports record sales of mait trusts.

Although there is no statistical breakdown showing whether are largely private investors or institutional, there can be little doubt that, for the UK's new share-owning democracy, this form of collective investment is proving increasingly appealing.

While unit trusts are less risky than direct equity investment, a well-balanced unit trust portfolio will minimise the risk further and hopefully give a better return on capital.

My Ben Goodden, director of the advisory department at M&G, the UK's largest and oldest unit trust company, bolding a fund. It is the research for the private in the fund and the size of the maintenance in the fund and the size of the maintenance in Spain will affect keep fund.

Information like this require a little research for the private investor, but investment may be the group. He looks for fund with a fairly concentrated story into a size of the man size of the maintenance of the size of the maintenance in the fund and the size of the fund and the size of the maintenance in Spain will affect keep fund.

Information like this require a little research for the private investor, but investment may be the group. He looks for fund with a fairly concentrated story into a size of the man the fund and the size of the fund and the size of

fund."

Couple this with the advice from Glynne Clay, senior luvestment director at independent intermediaries Richards,

Longstaff, and ask yourself simply: "What do I want from my investment?" and a formula be-

700

M 2 1 725 E 2 5 6- 12 5 - 5 24

D FUND

) GENERA

gins to emerge. The would-be unitholder needs to have a clear idea of his needs to have a clear idea of his investment objectives. If you want income from your investments, go for income growth trusts; if you want capital, then capital growth trusts. Those who want a mixture of both should go for a balanced fund, Having decided what you want from your portfolio, the next step is to choose the funds. Mr Jamie Berry, of private elient fund managers Berry Asset Management, says: There is no real scientific basis for choosing a fund. It's more an amalgam of different factors."

choosing a fund. It's more an amalgam of different factors."

Air Berry looks for consistently good long-term performance. Virtually every group has a flash-in-the pan high performing trust, but I prefer to look for stability in the returns and in the management," he says.

decision-making process is identification with the management style and philosophy of the group. He looks for funds with a fairly concentrated stock selection that aren't too aggressively managed. He also takes into consideration the size of ket it invests in. A large fund invested in Spain will affect lo-cal market conditions and be nore volstile than a Japanese

Information like this requires a little research for the private investor, but investment maga

files of leading groups and their funds. Never be afraid to sak the management group. e management group. Private client managers Rich-

Private client managers Bich-ards, Longstaff has an analysts department monitoring man-agement groups' performance, and the activities of the fund managers themselves. "A good manager makes a good trust, and a good trust can make a good manager "ever Glome good manager, says Glynne Clay.

a particularly successful fund manager moves company, a significant part of his fund will often follow him. The ideal balanced portfolio will have a core element of safer long-term investments in blue-chip com-

psnies.

Mr Berry puts around 70-80 per cent of his clients' money into funds like this, and the remaining 20-30 per cent into more opportunistic investments. For the private investor this is likely to be the exotically marketed Far East funds or "special situation" funds which have produced excellent returns over the last year. turns over the last year.
But always remember: the

\$20,000, Mr Berry says: I would spread the money between six to seven unit trust holdings from different groups, so as to spread the risk and harness the portfolio to different fund managem talent.

400

agers' talent." unit trust charges are incorporated in the difference between the bid price, the price that you can sell them at, and the offer price, the price at which you buy the units. The price differences average 5-6 per cent, and market forces keep it fairly consistent from group to group. However, managers rectain the right to alter the price to follow market movements. During August, when the UK stock exchange suffered a series of major downturns, many unit trusts went on to a hid price basis, and investors would have found it more costly and more difficult to sell. The Securities and Investigation for the units are bought on a forward pricing has no try to make a clearer to the investor what his investment is worth et any one time. The unit trust in.

any one time. The unit trust in-dustry and the SIB are destined

to be in acrimonious debate for to be in acrimonious debate for some time.

In addition to the charges included in the price, the investor will pay a management charge of between 0.75 and 1.75 per cent. This varies, but generally the more specialised the trust, the higher the charge.

The Unit Trust Association

the higher the charge.

The Unit Trust Association publishes a general guide to investing in unit trusts; and, while it cannot give specific advice, Sally Bunton from the UTA's information unit says: "Don't put your rainy-day money in unit trusts. They may go down."

However, don't be deterred.

Over the last few years many unit trusts have performed

unit trusts have performed spectacularly well. With careful research and regular monitoring, unit trusts offer the private interpretable for the private tor relatively safe acces investor relatively safe access to the world's equity markets. The guide to investing in unit trusts is available from the Unit Trust Association, P.O. Box 8, Stroud, Gloucestershire GLS

# **Harmony with Europe**

Continued from previous page

in one member state would be able to operate freely (and without having to set up separate offices) elsewhere.

Ucits was designed to cover all entities that offer to invest the public's money in a spread of transferable securities and to redeem units, from a common fund, on reque

UK and Irish unit trusts are included, as are the continental varieties of contractual com-mon funds and open-ended investment companies such as the Societe d'Investissement a Cap-ital Variable (SICAV) and Fonds Commun de Placement. The original architects of the legislation were keen to reflect the diversity of established le-gal forms - notably trusts, com-panies and contracts - which is why the term Ucits had to be

Closed ended funds and com-panies such as UK investment trusts are specifically excluded, from Ucits. Member states are also able to leave out venture capital funds, and funds which invest largely in unlisted secu-

The directive covers a wide The directive covers a wide range of requirements, notably spelling out permitted investments, investment limits and redemption provisions. Thus 90 per cent of a Ucits portfoliomust consist of quoted securities, no more than 5 per cent may normally be invested in a



single company, while a Ucital

can borrow up to 10 per cent of The Directive also requires that the assets of a fund be held by a depository (separate from the manager), who is responsi-ble for ensuring that money due to the fund is properly account; ed for and that issue and re-demption prices are calculated in accordance with the rules. The qualifications of investment managers (who must be "fit and proper persons") is govered, while there are obligations relating to disclosure and

the information provided to shareholders and unitholders. Officials in Brussels are keen to stress that the Directive lays down only minimum rules, and that member states can impose

stricter requirements, but only on their domestic industry. The only area where the "host" country has competence over Ucits from another member state is marketing - a touchy subject and one that was con-

consuming to be included in the scope of the directive. The re-sult is that, if door-to-door selling is outlawed, as in the UK, foreign funds looking for business must comply with the rales, even if they are used to thatching on doors in their flame towings.

With two years still to go be-fore the EC Directive has to be reflected in national legisla-tion, it is not surprising perhaps, that no member state has yet fully compiled with the require-ments. Indeed, only Belgium has introduced the relevant changes for its domestic funds; while the Financial Services Act in the UK has noted the fact that funds authorised in other countries of the Community (ie Ucits) must be allowed to sell their warms in Political

their wares in Britain Greece and Portugal have until 1992 to amend their laws but others who fail to meet the October 1989 deadline could face action in the European Court of Justice.

### Profile: Fidelity

# A streamlined latecomer

AS ITS name may suggest, Fi-delity has stayed true to its ori-gins. Set up in Bosten in 1946 as a fund management company, it has stuck degreedly to the task, phone at the weekend, he said.

built up a set of 18 trusts: its latwith total funds invested of £1,148m.

Two features have character-ised Fidelity's expansion in the UK market.

First, it has concentrated on developing a streamlined range of large trusts. Its European Trust for example, has £191m under management, while its Special Situations and Japan Funds have £161m and £117m

ignoring the airen calls of diveraification.

Its reward has been poll position as the world's largest privately owned fund management,
group, managing assets worldwide of more than \$75bu.

A platfirm lataneous to the

Inving and salling The sorving A relative latecomer to the buying and selling. The service UK market, Fidelity launched averages 2,000 calls daily, with a its first unit trusts in this country in 1979. Since then it has weekend, During the launch periods and act of the trust in the second control of the launch periods are self-control to the second control of the launch periods are self-control of riod of its latest Par Eastern Trust, Fidelity took 700 cells in a three-hour pariod on a Sun-day evening, picking up on po-tential customers who had read advertisements in the weekend

> The strong growth in unit trust investment. Mr Rateman trust investment, Mr Bateman believes, has been the result of existing investors increasing the size and spread of their holding, rather than any great inflow of new investors. But there has to be a limit to the amount that cant be taken off the existing customer bage.

Second, it has used its international network of offices, situated in all the major markets worldwide, to develop a range of specialised geographic funds. Despite eight years of operating a fully fledged London office, and despite the fact that UK trusts are top of the performance tables, it still does not offer a straight UK unit trust.

At the same time, Fidelity believes the key to growth will be making unit trusts easier to buy. Managing director Mr Barry Bateman points out that unit trust with people who need their do not have the same kind of accessibility as other vehicles competing for savers' money. We are in competition with the building societies, who have offices in every high street and

Source IDC/Opal offer to bid net income reinvested.

1St October 1984 to 1st October 1987,

"Launched February 1987. ""Launched March 1985.

### Profile: GT Unit Managers

# A global player

MALCOLM WEIGHTMAN shifts MALCOLA WEIGHT MAN SHIP slightly forward, levels a acru-tinising stare, and speaks: "I don't believe our investors are interested in Outer Mongolian left-handed screwdrivers."

That variation on the Mongotian theme suggests that even the Mongolians are getting a lit-tle bored of the ordinary old unit trust GT Unit Managers agrees. The mind of Malcolm Weightman, its managing director, is streaming with ideas for new funds, new ventures and new marketing strategies. And none two soon in the fickle world of selling unit trusts, where obsolescence follows rapidly on the heels of anything so usual as a new fund. so usual as a new fund.

Small investors are taking more aggressive positions, and switching between trusts with daredevil alacrity, emboldened by a new found source of profits ish of bull markets. But the rush is not but markets, but the rush of nerves after the recent collapse in share prices has checked these novel crushdes into riskier anit trusts.

Mr Weightman notes the emergence of "short-termism" among even private investors. Teople are unbelievably performance-oriented - one held a fund for three and a half weeks and sold because it hadn't per-formed as well as he'd boped." He thinks the average inves-tor's horizon extends for three-four years, where 18 months ago it would have been seven years

who need their the cost of buying shares, once the whole stamp duty and share selling fees have been added. "And with a unit trust they get professional management and diversification," said Mr Weightman.

Financial Advisor

Westing in a unit frust is close to the promote C1's American buy promote C1's



particle a lot more

some substance at GT Unit Managers. Formed just five years age, a sideline activity in the GT group run by James Berry (now of Berry Assel Management), with £40m under management, GT Unit Managers has grown into a trust company with an international investment coverage and £555m in head age and £555m in hand.
GT Management is currently

negotiating a series of interna-tional deals to continue this growth. It is about to extend its Guernsey-based offshore fund business with a new office in Luxembourg; a Munich office has just been opened to help run its continental investments, particularly the GT Germany "Most advisors switch a lot more; they take profits where they can."

Another reason is that people are realising that the cost of investing in a unit trust is close to the cost of buying shares, once the cost of buying shares once the cost of the cost of the cost of buying shares once the cost of t

Fund which was originally a £300m investment trust managed by GT for the US Debenture Corporation.

That was unitised, parts were sold off, leaving a residue £30m which formed the platform for the release of GT's aggressively managed Worldwide Special Situations

Like the rest of GT's author ised unit trusts, this is run by GT Unit Managers, the director of which is Malcolm Weightman, a man who has seen the less salubrious side to retail inrestment management

Mr Weightman's experience of selling funds goes back to his days as a salesman for IOS, the infamous mutual fund group run by Bernie Cornfeld and Robert Vescoe which pioneered the mass sales of units and colleged in the casts 1070 with lapsed in the early 1970s with losses running into billions.

"I wasn't selling to merce-naries in the Belgian Congo," says Mr Weightman. I spent two years in Geneva, then moved to Pakistan and Nepal to sell [IOS]

mutual funds to expatriates." He left before the collapse to work for an Australian stock-broker, returned to the UK and joined Jessel Britannia, MIM's predecessor, before GT Unit. Managers in 1982, under Mark St Giles and Bertie Boyd, joint managing directors. He is now a

managing directors. He is now a member of the board.

A retail unit trust man to the full, Mr Weightman is dismayed by the new rules for unit trusts introduced by the Securities & Investments Board.

If the trustees had been do not there ich newspay, it never

"If the trustees had been doing there job properly, it never
would have happened," he says.
"Forward-pricing is nonsensical
any way you look at it." But a
second thought checks his complaint: "You know, all IOS units
were sold at unknown prices."

# wer the last three years every one of Gartmore's unit trusts has made money for investors, in one case, an impressive 285.7%. While our most recent launch, the Gartmore Frontier Markets Trust, showed an impressive 42% growth in its first seven months. Currently we have over £700,000,000 of private investors' savings invested in our range of twenty-one UK authorised unit trusts. What is the story behind this success? d tested ways

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# Helping widen the choice

RADICAL CHANGES in UK These groups are still consider- are split into two parts. The first pension provision, which come ing which route to take into the part, known as the protected pension provision, which come into operation next year, offer a potential new market to the unit trust industry. Yet to date, most groups have shown little enthu-

The Government's aim is widpensions choice for individu-s, alongside wider home ownand wider share

Employees will be able to arrange pensions outside their company scheme and the State Earnings-Related Scheme (Serps), boost company pension benefits through Free Standing Additional Voluntary Contribution schemes (FSAVCs), and have a wider choice of financial institutions which to make pension savings up to retirement.

The 1986 Social Security Act ends the monopoly of life com-panies in the provision of indi-vidual pensions. Banks, building societies and unit trusts will also be able to provide the savings element of pensions, though the actual pension itself will still have to be bought from

So unit trusts can now offer both personal pensions and FSAVCs to employees. FSAVCs are already on the market and personal pensions will come in-to being next July.

It is estimated that around 10m employees are not in a com-pany pension scheme - a similar number are in. So the potential market for individual pension arrangements is immense. Why then are unit trust groups drag-ging their feet about moving into this new market?

First, the majority of unit trust groups already have life company subsidiaries or are subsidiaries of life companies.

AT 85. Sir John Gletgad's print; but has appearances have reased to dente the personal personal areas at the personal areas at the personal areas areas at the personal areas at the personal areas areas at the personal areas at the personal areas areas at the personal areas at the personal areas at the personal areas areas at the personal areas at the

The life company member of be providing personal pensions, though there is considerable re-luctance at present by estab-lished life companies to enter the FSAVC market. So the managements have to decide whether they want their unit trust side also to be in this field, perhaps in direct competition with

the life company member.

This is the stance adopted by M & G, which is considering the position. In contrast, Save and Prosper took the decision some time ago to market pensions solely through its life company.

The reason given by Save and Prosper's marketing director was that the administration systems required to operate personal pensions are so complex that it will be difficult arrough to get the systems it enough to get the systems in place for the life company, where there is already a wealth of experience, compared with those required for the unit trust operations which have to start from scratch.

This is the nub of the problem for pension providers. While the Government has introduced wider pensions, the civil servants in the Department of Health and Social Security and the Inland Revenue have between them set up such compli-cated operating procedures that the provider needs in-depth ad-minstration systems to operate

Unless these systems are al-ready in place, the provider has to be prepared to allocate con-siderable assets - financial and manpower - to develop a prod-uct, demand for which has yet to

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rights portion, is used to con-tract out of Serps and has the most complicated administra-

tion procedures. Contributions for this part are collected over the financial year by the DHSS, and then paid over to the pension provider in a lump sum a few weeks after the end of the financial

The proposed commission rate paid to intermediaries on this part of the policy is 4 per cent of the lump sum, and the average annual contribution is put at 2600. However, unit trust groups would be likely to keep

groups would be likely to keep to the standard 3 per cent. There is very little incentive for intermediaries to sell just a rebate-only personal pension contract. They will be looking for a substantial second tier contract from the employee.

Employees can pay up to an extra 17.5 per cent of earnings into this second tier personal pension, with those aged 50 or ver able to pay higher contri-Worthwhile commissions can

be paid on this portion. Life companies would pay the usual high front-end payments to in-termediaries, while unit trusts could well stick to 3 per cent of

knows for certain the size of the initial personal pensions mar-ket - it could be relatively small. promote life company personal pensions, rather than unit trust contracts, despite the best advice requirements of the finan-cial services legislation. So unit trust groups would be reluctant to allocate men and money depension contracts more sure of the market.

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unit trust groups is to wait and see what develops. Since the new regime allows employees to sweep up back contributions under the carry-forward provi-sions, there is no urgency to have a personal pension prod-uct on the market on day one. The consensus is that the per-sonal pension market will de-

unit trust groups feel the poten-tial is such that there are advantages in being in this market on day one. N M Rothschild Asset gement has announced that it will have a unit trust personal pension product available that by paying the usual low commission rates will be a win-

All employees buying person-al pensions will receive a cool-ing-off notice, which allows them to change their minds. This notice shows illustrated transfer values for the first five years of the contract on stan-dard investment assumptions but the providers' own charging structure. A provider with low expenses will show higher val-ues-a marketing plus point. Two of the Scottish indepen-

dent investment houses - Mur-ray Johnstone, in Glasgow, and Dunedin Fund Managers, in Dunedin Fund managers, in Edinburgh - have expressed their intention also to be in this market, though the other Scottish groups are just watching the situation. Dunedin is prepared to hire the adminstration

Finally, the wider choice will now allow employees to trans-fer benefits from one contract to another. No longer will an in-dividual be locked into one contract for existing contributions as is the current scene for

### Performance |

# Ways to spread the risk

swayed by advertising that ex-tols the performance of unit trusts, and compares the invest-ment with a building society

What he may miss comes in the small print - phrases like the value of units can go down the value or unus as well as up"; or reference to a 5 per cent front-end load charge annual management fee and an annual management fee of 1 per pent; not to mention the spread between the offer price

The advantages of unit trusts are clear. Professional fund-managers spread the risk of equity investments through a range of stocks, bringing good returns. Investors need not wor-

No capital gains tax is levied on the profits made by pur-chases and sales of investments within a trust. And, although investors are liable for CGT on

will be eaten by charges from Unit trusts have an almost standard front-end charge of 5 per cent on all investments, and

er cent to 1 per cent. An inves for might expect fairly high re-turns before being tempted to take the cash out of a savings account bringing in 9 per cent a

prise. Buying and selling unit-trusts is similar to buying and selling foreign currency for a holiday. Units are bought at a slightly higher price (the offer-price) and sold at a lower one (the bid price). The spread be-tween the two may be as much as 12 per cent or more, but is

per cent of your investme been eaten by front-end loads, management fees and spreads.

ample, spread risks by investing in a number of stocks, but is it-self a public company. It has a fixed amount of capital, divided into shares and is quoted and traded on the Stock Exchange.

to statistics compiled by the As-sociation of Investment Trust Companies, they have outper-formed unit trusts over one,

strategies. Investment trusts can put up to 15 per cent of their portfolio into a single company, can invest in the Unlisted Secu-rities Market, and may borrow in order to buy extra shares in a

Value of £100 adjusted for reinvested income

stockbrokers, or making tough decisions themselves.

sold, they are free to sell only enough units to stay under the limits set by the Government.

The disadvantages are often not so clear. When a unit trust-boasts a performance of 42 per part on investors should realise

tor is ready to sell units, he orshe may be in for another sur-

as 12 per cent or more, but is usually about 6 per cent.

This can effectively reduce the price you get for your units," said Mr Julian Gibbs, a pioneer in personal financial planning.

That means that from 12 to 31 per cent of your investment has

are two days old before they get into print.

that unit trusts are not the only investment trusts are not the only investment that can bring reasonable capital growth and public limited compessored the risks of their money. Investment trusts and insurance bonds are two other methods in investor pays a standard stockbroker commission of 1 to.

trusts spread the risk of the investment, because fund managers buy shares in a number of different companies. The performance of investment trusts has been impressive. According

three, five, and seven year periods by between 8.4 per cent and 21 per cent.

In some ways, investment trusts are more flexible than unit trusts in their investment

process known as gearing.
The value of these shares can
be assessed through the standard price/earnings ratio, or approach to sales and market-through their net asset value (NAV). The NAV is figured by adding up all the assets, subtracting liabilities and dividing offshore funds to be sold in the figure by the number of Britain next year, throws into

Investment Trusts relative to BP FTA investment Trusts index

price of most investment trustshas been at a price lower than the NAV. "It's like you are buy-ing shares at a discount," said Mr Gibbs. "But when you comestill there." If investment trusts are not as well known as unit trusts, it is for one reason: "Investment trusts pay very little-commission (to financial advisoral," said James Fox, managing director of Morgan Grenfell Trust Managers. Without the high commissions, the large adventising campaigns are unlike. still there." If investment trusts vertising campaigns are unlikely to be forthcoming. This is an

agement fee of about 0.5 per cent or less. Fees for buying, selling and managing invest-ment trusts comes to about 3 or 4 per cent, rather than the 12 Per cent for unit trusts.

Another advantage of investment trusts is that they are sclosed-ended fund, said Mr

Leslie Renvoize, a spokesman for The Association of Invest-ment Trust Companies. As a closed-ended fund, it has a fixed amount of investment capfixed amount of investment cap-ital, which can be increased on-ly if the shareholders vote their approval. Shareholders cannot simply apply to the managers to withdraw funds, nor can new in-vestors apply to them to buy ex-isting shares. All buying and selling is on done on the Stock Exchange.

fund managers can take a long term view for investments, Mr

Morgan Grenfell's James Fox. Unit trusts allow investors in quickly when prices are rising and allow them to Jump ship quickly if the investments are falling Such potential volatility in available investment funds can prevent long term views by unit trust fund managers.

Insurance bonds are a third investment available to the small investor who may not have the time or experience to manage investments in individual companies. A lump sum is invested in an insurance bond, which buys a single premium insurance policy. This gives a small amount of life cover; usually 101 per cent of the initial investment. Most of the money is invested in units of one or more investment funds.

These funds are often managed by a major insurance company although individual brokers create and manage their own funds. Of 140 funds monitored by Finstat, the best managed fund is the City of Edinburgh Risk and Reward Fund, with a 12 month performance of better than 70 per cent. That compares with a growth rate of 163 per cent for the best unit trust fund, Manulife's UK Smaller Companies Fund.

Insurance bonds are similar Insurance bonds are similar to unit trusts in fee structure. There is a spread between the bid price and the offer price, usually of about 7 per cent. Second, insurance bonds charge a yearly management fee of about 0.75 per cent; and third, the costs of buying, selling and holding the investments fore the price is worked out. Insurance bonds offer several

available with one insurance bond than switching between rate taxpayers, who have used up their tax free allowance for CGT and want an income will not be taxed immediately. This is because you can take as in-come from a bond a maximum of 5 per cent of the original investment for each year, up to 20

tax to pay, and no basic rate tax. However, insurance bonds are not particularly suited to basic rate taxpayers. For besic rate taxpayers, it may be more beneficial to invest in unit trusts," said Debbie Kallas, a marketing officer with Black Horse Insurance, a subsidiary of Lloyds Bank, which sells both

### Profile: the Gartmore/Oppenheimer merger

# Britain's biggest

chief executive of Gartmore Investment Hanagement, Paul Hyners is currently overseeing the amooth integration of Gart-more with Oppenheimer, the US-based mutual fund group.

British & Commonwealth and Mercantile House, parent companies of Gartmore and Oppen-heimer respectively, has formed Britain's biggest fund management group with a total \$18bn under management.

group, encompassing collective investment schemes of every variety - offshore, unit trusts, money market and mutual funds - demands a truly international

Mr Myners is apparently the man to lead Gartmore through this legal minefield. He has a management finger on every de-tail, whether it be fine-tuning a joint venture with Clayton Ro-bard, Australia's biggest unit trust group, or discussing Gart-more's incentive package with employees of Oppenheimer.

But essentially his is the investment business: a graduate with first class honours from the University of London, Mr. Myners was economics correspondent on The Daily Tele-graph during the turbulent ear-

He left the Telegraph in 1974 to join the investment division of N M Rothschild, where he was appointed to the board in

tional fund management group, of the quality if not the size of Fidelity.

Bottom-line improvements are reflected by the increase in der management: at £400m in 1985 they grew to £900m in 1988 £1.6bn this year, and are expected to top £2bn next year.

The merger has created a for-midable force in international fund management, the comple-ment of companies which ap-pear made for each other, in the eographical and managerial sense. For instance, Garimore has a strong presence in the Channel Islands with its \$500m Capital Strategy umbrella fund, while Oppenheimer man-

Continued on next page

# itial success

The FS Balanced Growth Fund certainly has grown! So much so that £10,000 invested at launch in February 1984 was worth an astonishing £91,700 on 1st October 1987. No, it's not a misprint. (Source: Money Management.)

Invest a little time finding out a lot more about the market's leading fund. (Past performance is not necessarily a guide to future performance.)

BALANCED GROWTH FUND

The third year of the FS Service Companies Fund is proving to be like the Very, very successful. In its

first two years it was the 2nd UK Growth Fund. £10,000 invested at launch on 1st April 1985 was worth £41,320 on 1st October 1987.

(Source: Money Management.) Invest a little time finding out a lot more. (Past performance is not necessarily a guide to future

performance.) SERVICE COMPANIES FUND **INCOME GROWTH FUND** 

The FS Growth Fund continues to provide an increasing income and capital growth.

In fact, since its launch in July ·1985 the Fund has never been out of the top 12 Equity Income Sector (Source: Money Manage-

Invest a little time finding out a lot more.

If you're looking for high income and capital growth you'll be interested to learn that the FS Higher Yield Fund currently yields quarterly income.

a lot more.

HIGHER YIELD FUND

5.1% before tax and pays out And that its accumulation unit offer price has risen 58% in only nine months to 1st June 1987. (Source: Money Manage-Invest a little time finding out

### **UNIT TRUSTS 5**

Monthly contributions can even out fluctuations in the market, say advocates

UNIT TRUST investors who put down a lump sum the day before the stockmarkets took a tumble may wish they had heeded the

ins excluderan

But there is one type of unit trust investor who may not have been diting his nails quite so close to the criticle. The investor with a monthly savings plan can sit out a fluctuation in the market, knowing that when it falls, his monthly contribution buys more units. In the words of Kate Rowley, of Framlington: The only thing that matters is when you sell, not when you

Regular savings plans have long been regarded as the Cin-derellss of the unit trust world. Costly to administer by unit trust managers, disliked by fi-nancial advisors because of the method of commission payment, most investors have stumbled across the plans almost by acci-dent. But that's all changing. About half of unit trust com-

About fair of unit trust com-panies offer regular savings plans. A typical minimum monthly contribution is £25, though it can be as low as £10, as with Midland bank. Hill Samuel and Oppenheimer ask for £50.

government unit trust health warning. The price of units can go down as well as up."

of the Unit Trust Association, and also chairman of Framling-ton, which is an active promoter ton, which is an active promoter of savings plans, is a keen advo-cate of the system: Regular sav-ing schemes are an excellent way of investing. The investor benefits from poundcost averag-ing; they allow into the market people who could not otherwise afford to invest a lump sum; and for tax and charges, unit trusts are better than unit-linked en-

for tax and charges, unit trusts are better than unit-linked endowment policies."

The concept of poundcost overoging means simply that, if yousave a set sum each month, you inevitably buy units across a spread of different prices. When units are high, the investor buys fewer units at hid price; when the units are low, the sum buys more. A savings plan effectively reduces the risk of buying in at too high a price by averaging out the cost of units purchased. More so

phisticated investors may prefer the risk of buying in when
prices look lowest. But for some
people at least the risk of
choosing when to buy is xeduced

Broooksbank sees a typical
savings plan customer as betains about 60 per cent ofits
lump-sum business through hrokers, but less than 5 per cent of
savings plan business comes
the younger person. And althrough this parts It is somes
ket once dominated by special-

In the main, regular savings plans are tailored to suit theneed of income rich but capi-tal-poor investors, who wish to tap into the greater historical returns available, compared with a building society account,

How unit trusts have grown:

the younger person." And al-though some unit trust companoigh some that trust compa-nies continued to sniff at what appeared a marginal market, in the long run, said Mrs Brooks-bank, the current savings plan

investor with the same group.

N M Schroder entered the savings plan market in the mid1980s. There is an administrative cost, but it is no barrier.
For the first year or two you won't make a bean, but now we

age. Interestingly, this was sold to them by one of their competi-

tains about 60 per cent offits lump-sum business through brokers, but less than 5 per cent of savings plan business comes through this route. It is forced to rely on press advertising or direct approaches in the regular savings plan field.

GT is one group that has tried to break broker resistance by offering substantial up-front commission to brokers that place client business with it. Most companies either pay commissions monthly, or six months in arrears. This explains why savings plans are area. investor was a future lump sum savings plans are unpopular with many brokers.

Two new entrants into the savings plan market, Prolific GT, sees its unit trust savings and Mercury, had cut administration costs by introducing a competition to the unit-linked new computer softwear pack-life assurance and endowment policies of major life assurance offices. Unit trust companies will claim tax advantages over

off payment of over £100. Brown Shipley offers a 3 per cent bo-nus on every monthly payment, and the minimum is only £20. Most companies will not give you a switching discount on thefront end charge until you have saved a minimum invest-

groups, up against the fantastic client base of insurance groups.

The small print on a monthly plan varies from company tocompany. Most insist that you pay by direct debit, which is the most cost effective method for the company, or at least bys-tanding order which is the next best. Save and Prosper is quite

rare in accepting payments by

put make payments whenever it is convenient. heque. Some companies offer loyalty bonuses or incentives to put-down a large lump sum. Mercu-ry, for instance, offers a 1 per cent bonus for 24 consecutive payments. Framlington gives a statement once or twice a year. Gartmore also provides savers with a passbook to re-cord savings, which they can

Savings plans increasingly find favour

ment, which is usually £250 or £500. Save and Prosper, howev-

er, allow you to switch at a 3 per

they can do to a lapser is to force him to cash in his savings.

Some, however, such as Gart-more and M & G, allow you to

Most companies will send you

cent discount at any time. Many companies will encourage you to make your payments regularly, although the worst

they like.
If, when you cash in your fund, you incur capital gains tax, you may find yourself doing a complex series of sums to take account of 12 annual payments. Some companies, such as Save and Prosper, have an agree-ment with the Inland Revenue which allows you to assume that you only put down two lump sums in one year, even though you made monthly payments.

send in to be stamped whenever

you made monthly payments.

Probably the most tax efficient way of taking out a uniturust savings scheme is to do it via a Personal Equity Plan (PEP). This allows you to invest a quarter of your whole PEP inunit trusts, or, if you are investing solely in unit trusts, to put in £420 a year (£35 per month). Any capital gains, or income which is distributed back into the PEP, is tax free, To take full the PEP, is tax free. To take full advantage of this, you should choose a combined growth and income unit trust. Incidently, the only way a PEP can be used

> Hugh Fraser/Michael Kavanagh

### New entrants

# More in hunt for funds

market is growing, and that profitable opportunities are opening up, is the length of the queue of new entrants lining up for a slice of the action. By that for a slice of the action. By that standard, the market for unit trusts must be growing fast.

As well as a host of existing players in the market putting out more trusts and boosting the marketing campaigns for old trusts, such as the massive Royal Life launch that consumed. filmof advertising expenditure, two major insurance companies have recently joined the hunt for investors funds.

This month NZI, the giant New Zealand insurers, branehed out into unit trusts with a subsidiary capitalised at im; and at the close of last year Commercial Union, one of the giants of general insurance, business, stepped into the mar-ket with an investment in adverbusiness, stepped into the market with an investment in advartising alone of close on fullim.

Mr Roy Kemp, UK divisional director at Commercial Union, and the man in charge of the unit trust launch, cites two reasens for making the move. We are big players in the insurance-market, and it seemed like an obvious extension of our business. We consider unit trusts to be complimentary to our existing products.

At the same time, Mr Kemppoints out, it allows the company to escape from the cyclical treadmill of general insurance business, and give us a smoother profit line.

More specifically, a company such as Commercial Union has a crucial advantage when entering a new market; with a solid reputation already built up, and a core of existing policyholders to work on, it can use its estab-

er merse

Continued from provious page market (currency) funds in Lux-

embourg in the UK, Gartmore has 2700m in unit trusts with more than 125,000 unit holders, drawn by the group's aggressive approach to the smaller, lucra-tive but largely untried mar-

Meanwhile, Oppenheimer boasts a string of Luxembourg-based currency funds, totalling \$5bn, which provides Gartmore with a much-needed cash retreat and fee revenue of about \$25bn armore to the U.S. Oppenheimer \$25bn armore to the U.S. \$30m a year. In the US, Oppenheimer is among the 20 biggest mutual fund groups with 12bn invested and connections with wholesale brokers across the

For Gartmore one of the bo-

<b>100</b>	Yukes of Passie Cas	Belos Em	Regurabases. Con	hereiment Em	Accesses	Anthorized Tracts
1960	201.4	26.88	13.37	18.51	0.66	51
1961	236.6	21.57	14.21	736	0.67	. 54
1962	272.6	45.01	11.07	33.94	0.82	58 71
1963	371.2	77.48	17.78	59.68	1.05	. 71
1964	428.9	. 99.64	. 22.60	77.04	1.31	106
1965 1966 1967 1968 1969	521.9	80.80	21.78	. 59.02	1,42	121
1956	. 581.8	129.69	24.26	105.43	1.64	139
1967	853,6	126.56	42.64	83.91	1,71	161
1968 .	1,482,4	328.93	70.45	258.48	2.15	176
1969	1,411,9	262.70	76.53	196.17	2.39	. 205
1970	1,397.7	171.16	73.35	97.80	2.40	240
1971	1,991.2	204.10	127.45	76.65	2.32	269
1972	2,547.5	436,86	195.59	241.27	2.32 2.29 2.24	269 295
1973	2,060.4	357.90	171.75	188.15	2.24	338 360
1974	1,310.8	194.87	110.17	84.70	2.20	: 360
1975	2,512.4	321.21	130.90	190.31	2.20	353
1976	2,543.0	333.40	165,88	167.52	2.12	352 '
1977	3.461.3	372.52	257.90	114.42	1.99	352 / 393 / 421
1978	3,873,4	. 629.68	294.08	235.60	1.95	421
1975	3,936.7	411.95	353.87	58.08	1.82	. 459
1980	4,968.0	531.48	423.90	107.56	1.72	493
1961	5,902.4	955.80	428.03	527.57	1.79	529 553 630
1982	7,767.8	1,157.51	567.23	. 530.28	1.80	553
1963	11,689.4	2,459.75	960,19	1,499.56	2.04	630
1964	15,099.1	2,918,2	1,476,7	1,441.5	2.20 ·	687
1965	20,307,5	4,487.7	1,949.1	2,537,6	2.55	. 806 964
1990	32,130.6	8,716.7	3,482.1	5,234.6	3.41	984
Bindelice en sa Bourne: Unit T	spained by all UTA member of funt Association.	emparise and the ma	jorky of non UTA prembe	irg.		

lished market position to rapidly carve out a slice of unit trust business.

The success of that strategy can be readily seen in the sumstation by Commercial Union in the Isunch period for its firstiffee trusts; a worldwide special trust, and an income trust. A total of £220m was raised from \$9,000 unit holders, solid through press advertising intermediaries, and by direct mailing Commercial Union's policyholders and shareholders. Since then another fund has been faunched, specialising in smaller UK companies, taking funds under management and the S275m; and another three launchessre scheduled for this month.

NZI have been similarly the decision also fits in with the parent company's declared strategy of building itself with the parent company's declared strategy of building itself that an intituate operation, caginate trust, and an income trust. A total of £220m was raised from \$9,000 unit holders, solid through press advertising intermediaries, and by direct mailing Commercial Union's groups will use the same team of investment managers, and through press advertising in smaller UK companies, taking funds under management the same 60-strong director.

The unit trust operation, caginate and through press advertising of investment managers. The two force. One launch, a British group sense that under the end of October, with another, described as highly and carefully. On the decision also fits in with the parent company's declared strategy of building itself with the parent company's declared strategy of building itself to overhead in international financial silice of all the major significant allocations into the same for a unit trust subsidiary called UK. UK is to overhead the previous conglomerate, with a with the parent company's declared strategy of building itself to overhead intitust subsidiary called UK. Uk is to overhead the previous conglomerate and strategy of building itself to overhead intitust subsidiary called UK. Uk is to overhead intitust subsidiary called UK. Uk is to overhead intitust subsidia

# The Gartmore merger

nuses of the merger is access to Oppenheimer's software sys-tem, which was developed in the US to handle an enormous volume of transactions. More British unit trust companies are looking closely at entering the US mutual fund business after Gartmore's trail-blazing exam-

Mr Myners takes pains to emphasise the mutual benefits accruing from the integration of the staff. "We looked at 30 potential targets before selecting Oppenheimer." Cost, distribution and computer support were not penheimer." Cost, distribution and computer support were not the only criteria. "Good fund

ew administration system. And the role of Peter Scott, Gartmore's highly regarded in-ternational investment manag-er, assumes a new sphere of infinence, with more room to switch between funds and cash. In other events, Gartmore is forging links with trust groups

by," he said. "Only the rubbish comes easily."

Those in the Oppenheimer camp with a claim to being indispensable include Steven Murray, director of administration, who has been imported from the US to help sort out the new administration system. in a joint venture with Clayton in a joint venture with Clayton Robard, recently acquired by the UK Tyndall Group; in Hong. Kong, it runs US\$600m in pension and equity funds; and in Germany it is about to link up with a German fund manager.

The vision, according to Paul Myners, is in the next few years to become "a major provider of global financial services".



### Is this the way to manage European investment?

DUMÉNIL Unit Trust Management Limited.

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capital growth and invest in the United Kingdom, France, Spain, Belgium, Italy, Switzerland

and Germany. European markets have come of age. The age of the specialist, Forfull information on the Duménil European Portfolio and a copy of our new European Investment Builetin,

confact Caroline Hobson or Peter McGarrigle now, on

# continues.

The FS PEP Tax shelter was the top plan at the end of June 1987 (Investors Chronicle). Its increase in value was 60% with its nearest rival only at 48%. At the end of September 1987 initial planholders saw their investment grow by 70%. (Source: FSIM.)

a lot more.

Invest a little time finding out AMERICAN GROWTH FUND

The FS investment team continue their "chart-topping" success,

Just six months after its launch on the 1st April 1987, the FS American Growth Fund was at No. 7 in the chart of best performers in this fast growing market sector (Source: Money Management,)

invest a little time finding out a lot more.

If you like the sound of that,

Management team torecast an exciting future in European stockmarkets. (It's the same team that has

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The fund was launched on 1st September 1987 and already the FS expertise is proving extremely profitable.

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### Collecting

# It's a red letter day

SOTHEBY'S - withingly or not are celebrating the 70th anniversary of the Russian Revolution with the sale of a remarkable collection of 2,455 books and pamphlets relating to the history of socialism (The sale is on November I), the official an niversary of the October Revolution is November I), the official an niversary of the October Revolution is November I), the official an niversary of the October Revolution is November I), it is a somewhat uncommon field for book collectors, but a rich one. The pen can be mightier than the sword, and some of these books- more often than not bady printed by clandestine publishers is have influenced human destiny.

The word 'socialism' came into use in the 1820s to describe the varied Utopian reorganisations of society proposed by such men as the Comte de Saint-Simon and Charles Fourier in France and Robert Owen in England. The collection in Sotheby's includes a rare manifesto, The New Industrial World of 1820 (estimate 2400-2500). An ore aggressive oddity - which makes it easy to understand why the English bourgeoisie stood in terror of the early socialism. The collection in Isocheby's includes a rare manifesto, The New Industrial World of 1820 (estimate 2400-2500). An ore aggressive oddity - which makes it easy to understand why the English bourgeoisie stood in terror of the early socialist of 1820 (estimate 2400-2500). An ore aggressive oddity - which makes it easy to understand why the English bourgeoise from the first time in history, gave a training and commend the compromises of the German Social Democrat Parls when the produced the provided the p

NONE OF US likes junk food, do we? It is only other people who eat junk food and they don't actually enjoy it. As I read the other day, it is worse than chewing gum or hiting your nails because in the process you ingest meaningless and unwelcome calories. So we've all got it in for junk food.

ring-Gutted, Poverty-Stricken, Parish-Dammed Inhabitants of the Distunited Kingdom.

England in the 19th Century was hospitable to political exiles, and Karl Marx spent the last 34 years of his life in London, staving off starvation only through the help of his friend and collaborator, Friedrich Engels, who worked in the Manchester branch of his family's textile firm. The Communist Manifesto had been writtes in Germany in 1848, just before Marx's expulsion, but Das Kapital was written in London, in the Shelter of the British Museum Reading Hoom.

Neither of these works, the cornerstones of socialist transportation of the Shelter of the British Museum Reading Hoom.

Neither of these works, the cornerstones of socialist transportation of the Shelter of the British Museum Reading Hoom.

Neither of these works, the cornerstones of socialist transportation in Sotheby's. Today a com-



so soon to crust.

The highest estimate in the sale (£1,500 to £2,000) is for a

Government and prototypes of first edition of Engels' pambileter's SS. The collection implies a pamphlet by Trotsky and Zinoviev in protest at the murder.

A significant publication from a later date, and an ominous is would no doubt have found sign of things to come, is the German edition of Josef Stalin's world no doubt have found it richly ironic that a century or more later their subversive works, written in passion and cheaply run off by underground in stylish Constructivist typography - the kind of artistic commodities in capitalist socious so soon to crush.

Janet Marsh

# **Jolliest** art fair of the year

Lucia van der Post previews the Contemporary Art Society's annual beanfeast

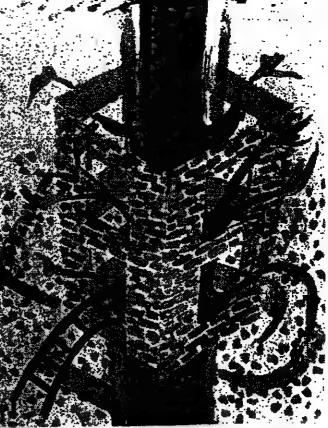
CALLING ALL would-be art collectors. If posh galleries seem hushed and intimidating, hurry along to the jolliest art fair of the year-the Contemporary Art Society's annual art beanfeast is on at Smith's Galleries, 33 Shelton Street, Covent Garden, London WC2 from 4-7 November.

As always there will be an enormonaselection of work by artists young and old, new and experienced. It's a marvelloue opportunity to that collecting if you're facing hlank walls or to add to your collection, if you've caught the collecting bug already. Prices start as low as about £70 (which is the price you might easily pay for a meal for four in London - with the difference that the pleasure of a painting lasts a great deal longer) and go up to about £700.

A word of warning - go along as soon as you can: old hands know that the best pictures sell fastest. True, new ones will be added throughout the four days of the fair, but the earlier you go, the greater the choice. The Contamporary Art Fair is sponsored by Sainsbury's, and will be open from II am - 3 pm each day.

Photographed above is just

Photographed above is just one of the pictures that will be on sale - a gouache on paper (37 ins x 28 ins) by Cally Saunders. It costs £195.



view next week at the Contemporary Art Society Market at Smith's Galleries

# Brown sparkle

A FABULOUS diamond studded colden egg worth a cool £1m is the star of the Champagne Diamond Exhibition which opens on Monday at the Goldsmiths' Hall, Foster Lane, London.

The five-inch high egg has been designed by Stuart Devlin, him Queen's goldsmith and jeweller, and took his team of top craftsmen months to make. It features 1,600 diamonds on the outside alone, ranging in colour from a deep brown, cognac at the bottom to a pale yellow champagne colour at the top.

Another 1,500 diamonds are revealed as the revolving egg opens into four sections, disclosing a miniature carousel with each tiny horse again decked out in diamonds. As the carousel starts to turn, the horses rise and fall, reflecting colour from tiny lights such as those used in electronics.

Devilin's aim in designing the



A gold and dismend "Turbine" ring by Stuart Devlin

### Peter Fort looks at our attitudes to junk food

# Another man's poison

come calories. So we've all got it in for junk food.

Is junk food one of those ultra-vague terms of generalised abuse, such as "fasciat" that we also stigmatise behaviour that we find annoying? I think it is, for me at any rate. Junk food is what people annoy me by eating it he street, underground or public library. Viewed as a nutritional item, the acrid-meli temperature of protein, carbohy-date, fat and fibre that the Royal College of Surgeons would most surrous mos

dors selling hot baked potatoes on inninaginable factory-dark food is, not American seems more acceptable.

Certainly falafel and samosas can be good eating. There was a time when samosas were a rare and exotic delicacy that one tremblingly asked for in Indian restaurants. Now you find them stacked alongside the Arabic newspapers and Mars Bars and cigarettes. If you are in luck and their manners.

Although it has always been them steaming hot out of a minute paper bag as you walk down Oxford Street wearing your defiant look that says this is not junk food, it is a vegetable samosa. But your audience knows better: if you are eating it in the street it is junk food. If you are made and everyone its only crite-invariance.

American seems more acceptable factory-farmed. Euro-animal, dotted with insipid peas. Those compliancy puddings.

Was this before or after the invention of that ultimate junk intend is invention of that ultimate junk intend it is invention of that ultimate junk on it has all your puddings.

Was this before or after the invention of that ultimate junk into it has all your belly for a marked invention of that ultimate junk into its when on the road you actually want a meal and there isn't any-time, to element in the essential junk qualities to appeal to children, ruining a bar to be confronted with the essential junk all junk food is market researched by nutrionists, gastronomes and prickled onions - and nothing else. This is when on the road you actually want a meal and there isn't any-time, to else for lunch, you rush into appeal to children, ruining a bar to be confronted with the essential junk all junk food is market researched by nutrionists, gastronomes and market researched out of existent in the street it is junk food. If you are eating it in the street it would be point like all junk food it has been researched out of existent food.

But the along farmed. Euro-animal, detted with insipid peas. Those completes the market of the road point in the street is a market of the road peas. Those

### Cookery

# Nanny knows best

eggs and crudites.

If your taste is for lighter and simpler things, you may prefer sea salt, and a generous drizzle cheerst Prois. It reminds me of a delicate course of the sea salt. delicate curd or good cottage

LOW BACK PAIN

Another quick and excellent

THE FRENCH cheesemakers
Fromagerie Triballar's big success in Britain to date has been
Roule, the soft, fresh cow's milk
cheese that looks like a Swiss
roll.

Now they are hoping to have
an equal success with goaty.

Triballar's third offering is St.
Cheeses and are Isunching a
trio of them designed to suit
British tastes — soft in texture
and not aggressively goaty.

First, there is Convette, a rich,
creamy cheese with a mild, goaty tang, which gives it an interecting edge. It is a delicious,
eavygoing cheese, and as versasitle as, say, Pest Susies. Try it
with wet walnuts and celery, so
when the breast skin of a bir
with wet walnuts and celery, so
berry jelly spooned over it.

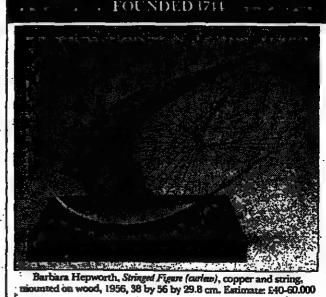
Mash if with finely chopped
and fried mushrooms and sip it
under the breast skin of a bir
to see the flesh moist during
rousting Use it to stuff the core
crevities of halved ripe pears,
grind black pepper on top and
serve with a handful of chopped,
fresh herbs, and use it instead
of mayonnaise for hard-boiled
eggs and crudites.

If your taste is for lighter and
colleged. The makers
Procutor. I used to make this
secsorie it as a frowape from
the very mild indeed. The makers
Procutor. I used to make this
secsorie it as a frowape from
the secrity mild indeed. The makers
Procutor. I used to make this
secsorie it as a frowape from
when I lived in Italy, and
was dellighted to rediscover it
Tribalizat's third offering is St.
Cheoria, a small round cheese
which the press release detribution of them designed to suit in the press release detribution of them designed to suit in the press release detribution of them designed to rediscover it
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Philippa Davenport

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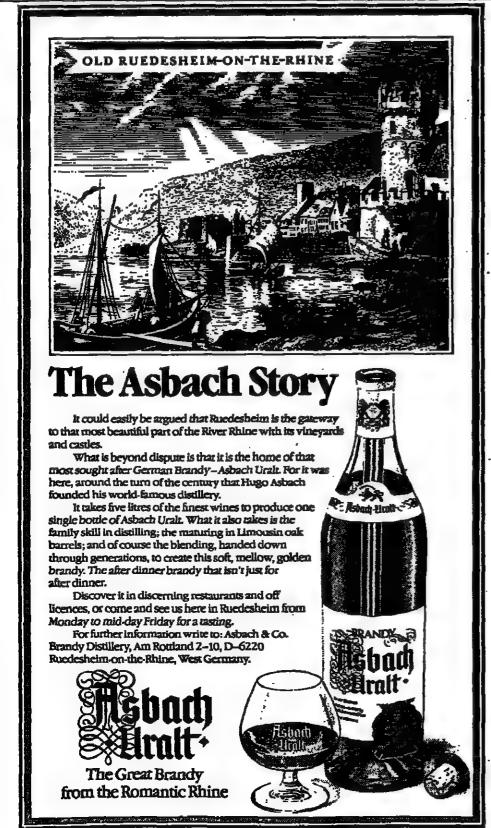


### Post War and Contemporary Art in Britain

Auction: Wednesday 11th November 1987. The sale marks the achievements of British artists

since the war and reflects the current international interest in Post War and Contemporary Art in Britain. Beginning with the 1940s' work of the Neo-Romantic artists and continuing from Ben Nicholson and Henry Moore to Anthony Caro, Craigie Aitchison and the Pop Art movement, with estimates ranging from £1,000 to £100,000, the sale offers exciting opportunities to acquire works by major British artists of modern times.

Enquiries and catalogues: Hugues Joffre and Janet Green 34-35 New Bond Street, London WIA 2AA Telephone: (01) 493 8080 Telex: 24454 SPBLON G.



BY October 21 1/4



James Ferguson advises on where to find the classiest shoes

# Put your best foot forward

CLASSIC shoes have been reputation during the First around for decades. Some styles World War when he supplied have stepped out of the 19th cen-the allied armies (including Itaclassic shoes nave been reputation during the first around for decades. Some styles have stepped out of the 19th century; buy a good pair of shoes now and they will accompany you comfortably into the 21st. Italian shoes are unquestionably beautiful. Admire their looks, handle them, flirt with them, but beware, they can be fair weather friends -they were not designed to withstand rain.

Unless those Rossettis, Guccia or Zegnas prove irresistable, leave them on the shelf and settle for a pair of more rugged, reliable English shoes. These will be all leatiter, bench-made, black or brown and of a basic, groven style. They should fit snugty, with room for a bit of waggle at the toe (leather shoes will give a little on width but never on length).

Keep them property looked after, washed and brushed, nourished with exem, polished with wax, perched on trees in the listle low, taken to a kindly person with heeling bowers, the property looked after, washed and brushed, nourished with exem, polished with wax perched on trees in the listle low, taken to a kindly person with heeling sowers, the property looked after, washed and brushed.

The English bootmaker established his already formidable wars through their adoption of the boles done uplifting of the sole, Good shoes also benefit from an occasional scrub with saddle soap.

The English bootmaker established his already formidable



pale; it became a Hush Puppy.
But the pop panoply roared
ou; Italian mock-croe buckle
boots in the cusp of the decade;
the 1960s brought the highheeled, elasticated, centre
seamed beat-boom boot and zippy bike boy boots; and by the
time the mod circus had decamped in the late 1960s, its dissy devotees had tried and tested
desert boots, trainers, tassels,
chisel toes, side-lacers and
were left shod in either sandals
or bower boots - hippy or hard. or bower boots hippy or hard.
All that remained were two
last efforts to heap excess upon
excess the chunkiest, clunkiest,

excess; the chunkiest, clunkiest, most garish, most impractical footwear ever - the 1970s platform shoe and Punk.

Two classics emerged during these frenetic years, the high-flying Gueci loafer of snob fame, and the low-flying Dr. Marten sole of yob fame.

The theatricals loved the Italian Gueci loafer. The ideologicals hated them - bad, old-fashrub-your-nose-in-it us consumption was

Elsewhere, the suede shoe had lost heart. Ashamed of its loutish teenage progeny it became prematurely middle-aged, went soft, lost its shape, looked pale; it became a Rush Puppy.

But they could see. Actually, Hawkes, I Savile Row, London, W1.285.

Semi-brogue from Poulson & Shemi-brogue from Poulson & Lingwood, 53 came, at New & Lingwood, 53 looked pale; it became a Rush Puppy.

But they could see. Actually, W1.285.

Semi-brogue from Poulson & Shemi-brogue from Poulson & Lingwood, 53 looked pale; it became a Rush Puppy.

But they could see. Actually, W1.285.

Semi-brogue from Poulson & Lingwood, 53 looked pale; it became a Rush Puppy.

But they could see. Actually, W1.285.

Semi-brogue from Poulson & Lingwood, 53 looked pale; it became a Rush Puppy.

But they could see. Actually, W1.285.

never with the aggressive self-confidence and insouchance of the brassy original.

First discovered and instantly unpopularised by 1890s stirinheads, the Air Wair or Hawkins Air Cushioned sole was adopted because it looked was a stoped because it l

Livenched seam Oxford, Alan McAfee, Knightsbridge. Choose black for city ubiquity, tan for everwhere. £130. For maximum impact, ome with arrogance in a pair of "London Tan" (a particularly rancous amber) suede Oxfords from Fosters £2 Lerrogan fords from Fosters, 32 Jermyn Street, London Wl.£190. 2.Black dress shoe by Gleves & Hawkes, 1 Savile Row, London, Wl.£55

Lebbs, 9 St James, London SWL Prices start at about £800 and there's a six month wait for the there's a six month wait for the
first pair - but it's worth the wait,
they are the best.
6.Yellow suede Derby with
Doc Martens sole, £31.99 from
Red or Dead, 22 Rupert Street,
Landon WI.
7.Country house shee (as worn
by Prince Charles) by Wildsmith,
Piccadilly, Landon, WI. £180.

8.Basic Bass Weejun, 250. The best shop for American shoes is unequivocally J. Simons of 2 Russell Street, Covent Garden, London WC2.

S.Black suede Gucci lozfer, that rare creature, a truly glam-orous man's shoe. Very unre-served, very special (what was that about Italian shoes being hard to resist?). Gucci,27 Old Bond Street, Loadon WI.

10."Becket" Monk shoe by Church of England. Black or dark brown, £105.

# Needle points

LANDSCAPES, trees, animals the drip trolley. People on aero-and the topography of the coun-planes have a frame wedged be-tryside, have provided inspira-tion for artists for as far back as wool tucked into leaflet hold-ers. Liberated granhles and young trendies are similarly be-tion must be flowers. We sit on them in cushions, walk on them in rugs, sieep between floral Reedlepoint takes us away from the state and set from the countries.

them in cushions, walk on them in rugs, sleep between floral sheets and eat from flowered plates. We have them on greeting cards, mugs, clothes, curtains, soap packets and scent.

Designer, painter, knitter and needlepointer Raffe Fassett loves them, and they pour from his fingers onto sweaters, rugs and cushions with magnificent profusion. Not content with bunches of peonies, poppies and pansies, cauliflowers and cabbages are also used by the king of needlepoint designers.

Kaffe is famous for his use of colour. When God created nature he made colours that set one another off beautifully. So do Eaffe's mauves and turquoises we were taught to be so cautious with. He throws them in and they glow, enhancing all the gentle huse around them. Re has that heaven-sent ability to combine myriads of shades.

His needlework started with a trip to a textile mill in Scotland 20 years ago. He stunbled on a rich store of yarns and found this 'naint' irreaistable. The

20 years ago. He stumbled on a rich store of yarns and found this 'paint' irresistable. The world of patterns he finds so engrossing are expressed in crafts riddled with the concarns of neatness and technique.

Kaffe's faithful followers are now needlepointing and knitting in ways they never dreamed of. Nurses on night duty have 36 colours hanging over

Next Thursday marks the debut of a show with a difference. The Knitting and Stitching Show runs for just four days at Kensington Exhibition Centre, Derry Street, London, and offers the unique opportunity to enjoy the personalities, products, expertise, designs and inspiration that make needlecraft so stimulating and so much fun.

Such a wide collection of crafts has never been gathered under one roof, and attractions such as alide lectures by needlepoint king Kafte Fassett, talks, crochet workshops, canvas work and tapestry make it a must for enthusiasts.



takes two.

Sheep dogs tend to be bought and sold by shepherds who have the time, patience and skill to train them. I found my first one through a shepherd friend who knew of a trainer who 'did a bit of trading. She was called Gyp, a good name to carry in the wind and short and sharp to use. She was a fearless bitch



with a lovely, soft nature. But unknown to the vendor and myself, the little lady was pregnant; she produced a litter of 11 but died some weeks later. To lose a dog is sad, but to lose a sheep dog is a tragedy.

I went back to Gyp's previous owners and asked if they could find me another little hitch; they are gentier and more biddable). They found me Meg. By the way she squeezed heuself under the car foot pedals when I picked her up, I knew she was nervous, but I had no concept of just how terrified she was. She ran away within the first few minutes of getting home, and was found in the middle of the night by her previous owners. I was advised not to have her back under any circumstances.

But I collected her on Boxing

But I collected her on Boxing Day, two months after she had absconded. My advice from the shepherd was not to let her out of my sight for a while. I took this literally. For a week, Meg was tied to me by six feet of cord. Where I went the dog went, too. Outside she had a longer rope. After a time I let her ger rope. After a time I let her off her leash, first in the house and then outside.

She presented a dismal pic-ture; her head was always down



dog the old tricks barley fields, my sheep were greedily grazing. This was to be our Waterloo. With some trepi-

She was brilliant, and she has never looked back. She prances around all day with her tail stuck up in the sir like a ship's mast - a real sheep dog. And, what is more, she made it with five days to spare.

dation, I sent off Meg to collect

**Bobby Robson** 

OUT NOW. THE WINTER **EDITION** OF HARRODS MAGAZINE.

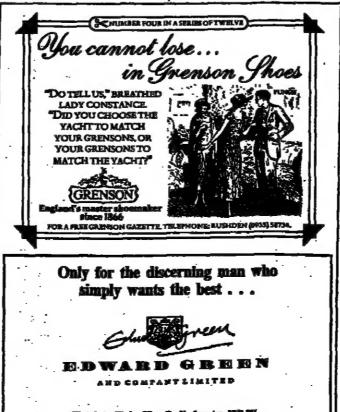


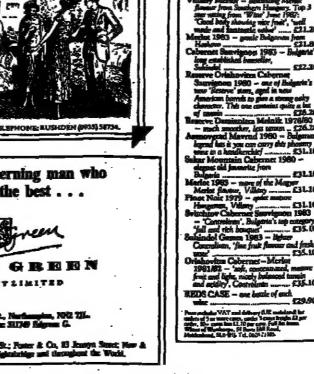
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Harroas









Jane Abdy on the rise of a remarkable Scottish family clan and their descendants

# From Glasgow to the smart world

SIMON BLOW'S book is timely, for his great uncle, Stephen Tennant, is both hero and victim in this strange tale. Magazines recently have been bright with photographs of the bizarre Wiltshire abode in which he lived as a recluse before its con-tents were sold.

tents were sold.

Those who viewed the sale saw a decor, now tawdry, of wallpapers in fuchsias and pinks spangled in silver and gold, rose satin daybeds, and turquoise plaster shells glued on the walls. The library contained books on the occult, and two created globes. The atmotwo crystal globes. The atmo-sphere hovered between a clairvoyant's parlour and a seedy maison de plaisir.

As most people will now know, Stephen Tennant was an artist of minor and precocious talent. He was very vain of his looks, and a theatrical use of cosmetics made him appear androgynous. In middle-age he be-came chubby and indolent; yet he always acquired a cult of

He was a sciop of a remarkable family. The Tennauts were the largest industrialists in Glasgow, employing thousands in the manufacture of chemi-cals and bleach. In the second half of the 19th century, the family business was controlled by the indomitable Sir Charles Tennant. The story of Sir

MORE DIE OF HEARTBREAK

by Saul Bellow. Secker and Warburg, £10.95, 355 pages

things, Della Bedell, the woman in the flat upstairs, who came to

him saying What am I supposed to do with my sexuality?' After

ety, has been admirably told by his daughter, the late Lady Craronial folly, the Glen, and took an upwardly mobile leap.

the book. She was the daughter of Percy and Madeleine Wyndham, known for their kindness and generosity, and sister of the and generosity, and sister of the sweet, selfless Lady Elcho. Yet, Pamela appears to Mr Blow to be the villainess, who caused the decay of the family - for such is his theme - by her pretentiousness and vanity. She married Tennant on the rebound from a romance with Harry Gust, whose memory she Harry Cust, whose memory she kept evergreen (like a star in his cupboard).

Blow relates Pamela's dis-taste for commerce: she objected to seeing Tennant's products advertised at railway stations. However, the Tennant money permitted her, as Lady Tweedsmuir wrote, 'to have an aloof-ness from mundane things, and talk about poetry and litera-ture. It must be stated here that everyone who met Pamela found her to be a very kind, af-

Fiction

Hero with heartache

novel. His wise guy erudition stems from his background (he was sent from Valparaise, Indi-ana, to be educated in Paris,

and now teaches Russian at a

I use this somewhat over-worked word in the sense in which T. S. Eliot used it of the

Metaphysical Poets. According to Eliot, Donne and Herbert were the last of the 'whole men', before the 'Chinese Wall of Mil-

ton'. They could enjoy food and

of Bellow's major characters, he is a lost soul in the world of af-

est novel is a quotation from its central figure, Benn Crader, a distinguished, middle-aged botanist. When asked by a journalist about current radiation levels, their affect on plant life, and ultimately on human beings, he replies: Tr's terribly serious, of course, but I think more people die of heartbreak in the sense in the s

'compassionate sex', Benn fled the country only to discover on his return that Della has died of a heart attack.

Spinoza at the same time; their work exhibits all the character-istics of what Eliot called 'felt thought'. Benn is like this. He is

his return that Della has died of a heart attack.

Life is like that for Uncle Benn as his nephew Kenneth Trachtenberg points out Kanneth, the narrator of the novel, is - he tells us - a 35-year-old, dolicephalic. John Carradine look-alike who idolises yet criticises his famous uncle. It is typical of Kenneth that he should mix cinema and science in a breathless stream of intellectual chic. Titillating references is a lost soul in the world of af-

rushing to the encyclopaedia for all the world as if we were. scholarly sheep in a world of lereading an early Aldous Huxley gal, medical and, above all, po-

by Simon Blow. Faber & Faber, thorne, in Tennant's Stalk a traditional Wittshire house £14.95, 224 pages (1973). Mr Blow covers this which must then have looked ground in the first part of his book, but he has chosen to write a morality tale. There are warnings of future disaster. The first comes when Sir Charles, from his huge profits on the Stock Market, built a vast Scottish barantial failst the Clen and took days the pirate's rest." dren was humourless and maudlin. She published a most Worse is to follow, when into the story trips pretty Pamela Wyndham, as the bride of Sir Charles's eldest son. Edward (later Lord Glenconner): Pamela dominates the second half of the book She was the daughter.

was paramount.
The eldest son, Bim, worshipped her, and, after his death on the Somme, she turned to spiritualism. To her other children, Mr Blow considers her claustrophobic cherishing her claustrophobic cherishing to have been almost as fatal as the embraces of Medea. His great uncle David founded the Gargoyle nightclub and married Hermione Baddeley, his grandmother had a chic, brittle view of marriage and offspring, brother and sister led the lives of marriage. of perpetual bright young things. The youngest son, Ste-phen, removed from boarding school because he wept, we

have already met.
I have tried to resolve the par ables of Mr Blow's book. It is vulgar to make money, It is ad-mirable to make money, provid-ed it involves a great deal of work. The new rich should not build palaces like Neuschwan-

litical wolves is exacerbated by the fact that Benn, 15 years a

widower, falls in love with a woman 20 years younger who comes from just such a wolfish background. Her father, Dr Lay-amon (Motormouth' to his asso-

amon (Motormouth' to his asso-ciates) is by profession a gynac-cologist but by nature a wheeler and dealer. His biggest asset is his daughter Matilda: beautiful, brilliant with more degrees than a thermometer. Dr Laya-

mon has a master plan for Matilda. The first step is that she will

inveigle famous people into the Layamon social circle by using

Benn's name. The second step is more sinister. Benn has been swindled out of millions of dol-

lars by his own uncle, Harold ('the Big Heat') Vilitzer. If he



Pamela Wyndham: "distuste for commerce"

natain. Their children should to love paintings and have a be forbidden to marry into a most perceptive eye. To buy higher social class, even if they Mustique for \$40,000 was a coup fall very much in love. Beware of the armigerous. The flaw in Mr Blow's theme

is that he has confined his tale to the more vulnerable off-spring of Sir Charles. This dis-torts the truth Sir Charles had 15 children, 11 of whom sur-vived childhood, and they and their children are famous in politics and business. They con-tinues to flourish and prosper. It is not fair to criticise the present Lord Glenconner for selling pictures to pay death duent Lord Glenconner for

worthy of Sir Charles, who, as Margot Asquith said, was al-ways 'modern.' The Tennants have adapted to the times. The prime example is Peter Wilson Charty Tennant's great grand-son, who transformed Sotheby's from a quiet auction house an international concern, an annual turnover of £836m Nor are the literary gifts of the Tennants to be overlooked, for they have produced gifted au-Lord Glenconner for thors of novels and memoirs ictures to pay death duand, in Mr Blow himself, a most ocially as he is known lively writer.

" Sail Bellow story of a famous macle " :

Paycho. Benn has to get away. He agrees to go with Matilda on a trip to Brazil but secretly makes plans to go back to the North Pole on whose lichens he

working for you?. Things immediately go wrong. There is vio-lence and had feeling over the court case but, much more disturbing. Benn begins to see in Example, the richly delineated Example, the richly delineated Example, the richly delineated Example, the richly delineated Example.

most dislikes in Dr Layamon - the old and frail Vilitzer (Tm

particularly his high shoulders the unhappy Edgar, cursed by for high shoulders remind him old Gloveester his father. That's of the transvestite character why I'm in this shit-house office which Anthony Perkins plays in while my brothers are up in pig heaven').
And how superbly Bellow has

felt his way into the two main characters. He is partly Ken-neth, forever philosophising. Che Big Reat') Vilitzer to justice, these millions will be brought back into the Layamon-Crader circle. The third step is the use of these millions to renovate a Venetian-style mausoleum of an apartment owned by the Layamon family in a nouveau riche block called the Roanoke.

When Benn is snared and duly married to Matilda (a real bitch, but her bitchiness will be working for you'). Things immediately go wrong. There is vious mature, wiser Augie March and control of the property of the mature of the most heartening. Although the last 20 years this is by far the most heartening. Although the last 20 years this is by far the most heartening. Although the last 20 years this is by far aronists'. But the book goes deeper than this Like all the most heartening although the last 20 years this is by far aronists. But the book goes deeper than this Like all the most heartening although the last 20 years this is by far aronists. But the book goes deeper than this Like all the most heartening although the last 20 years this is by far the most heartening although the last 20 years this is by far aronists. But the book goes deeper than this Like all the most heartening although the last 20 years this is by far the most heartening although the last 20 years this is by far aronists. But the book goes deeper than this Like all the most heartening although the last 20 years this is by far aronists. But the book goes deeper than this Like all the last 20 years this is by far aronists. But the book goes of the last 20 years this is by far the movel form in order to study not only himself to with the sort of life which made and its analytic and the with sall the last 20 years this is by far aronists. But the book goes deeper than this Like all the last 20 years this is by far aronists. But the book goes of the last 20 years this is by far aronists. But the book goes of the last 20 years this is by far aronists. But the book goes of t are going to be anything like as good as More Die of Heartbreak let us hope that the quarrelling never stops.

Geoffrey Moore

strengthened by his dating the outbreak of the war in Spain on one page as in 1935 and another in 1936. (It was, of course, July

in 1936. (It was, of course, July 1936.)
Devotes of mole-hunting and spy-catching will doubtless learn a good deal from West's expert probing. We are told, for example, that William Joyce (though an organiser of Nazi radio propaganda) was not the original Lord Haw Haw after all; though who the latter really was remains obscure. But a general resder of this book who previously knew nothing of the

# When London called the globe in wartime

Fortunate Sir Lew

Most of it is pedestrian stuff.
There is no literary merit; rare colourful insights into the many males and manoeuvering the bizarre worlds that Lew Grade oval table on which he climaxed

company two years ago, aged 79, twenties. He makes it all sound and is currently co-producing quite routine. The dancing days starlight Express on Broadway. But business must be getting slack he has found time to record his memories of eight decades of deals.

More of it is pedestrian stuff binned hell-raiser whose main binned hell-raiser whose main binned hell-raiser whose main binned hell-raiser whose main

blessed by the Pope, a friend of royalty, giver of Christmas parties to old folks, a man whose word is his bond and who has never gone back on a deal. They live together, relatively amicably, in this autobiography.

Lew Grade was running his own rag trade workshop in the East End when still in his teens. Lord Grade formed his latest company two years ago, aged 79, and is currently co-producing Starlight Express on Broadway. But business must be getting sion. Lew Grade never pretends alack he has found time to record his memories of eight decord his laters into tale to be of the tape recordency into the States; into tale to be obtained in the policy. Lew Grade recalls it though this later stage in his carreer was fraught with though this later stage in his carreer was fraught with though this later stage in his carreer. The density and the early searce heads in the early searce fraught with though the brobse into the States; into tale-to-ison in the problem; into the cinema, always a nice has not thousands of wonderful people who have become staunch friends probably be-cause he himself is a decent, hard working professional. And, yes the story that ,when asked by a little girl what two bizarre worlds that lew Grade has orchestrated; few amusing his act around Europe requires anecdotes. It reads like the recorded reminiscences of a straightforward, rather unimagination that the book and two added up to he replied are you buying or selling ? is straightforward, rather unimagination.

But Lew's very success means apocryphal: just.

But Lew's very success means that business interests alowly that business interests alowly

Malcolm Rutherford looks at a kindly view of Eden that does not obscure his failings

# Someone blundered

**COVERNIENT** by Richard Lamb. Sidgwick & from it

THE TITLE of this book about the Eden Government means exactly what it says. The stress is on the word "failure". The failan explanation, tactfully put forward by Rhodes James and ure was collective and the book accepted by Lamb, is that Eden' is confined to Eden's period as judgement was flawed by the Prime Minister which lasted over-prescription of drugs following and which encompassed not on the botching of what should have been prescription. and which encompassed not only Suez but also the British in-ability to comprehend the foun-ding of the European Common Market

It is the first book on the subject to be written with full ac-cess to the documents in the Public Records Office which are now available under the 30

year rule.

Robert Rhodes James, whose official biography of Edem was published last year, had limited access as well as the sight of numerous family papers, but was writing a completely different kind of book. It was about Eden as a whole, whose cruel fate, Rhodes James noted, was to be remembered by one failure rather than by many achievements.

Richard Lamb shows occasional annoyance that Rhodes James was allowed to get in first, just as the latter was annoyed by the earlier, unofficial and more critical blography of Eden by David Carlton. In a brief Foreward, however, Lamb acknowledges that he is rather on the Rhodes James side. He admired Eden, knew him a bit and once pleased him by buying one of his cows in order to keep it in the Wiltshire valley to which Eden had retired. It was just that under Eden's premier-ship things went terribly wrong. There is no need to dwell on Suez. The public records so far as they exist (some of them were destroyed, probably on Eden's instructions) confirm the worst. There was collusion between British France and Jarael. Britain, France and Israel which Eden did his best to con-

Egypt over the use of the Canal, but perversely turned away

All that is well enough known by now from other sources. The official documents only rub it An explanation, tactfully put

tine medical operation in 1953.

The crucial point, however, is that the great majority of the Cabinet went along with him. The first British suggestion that there could be collusion with Israci in attacking Egypt came from Harold Macmillan, the Chancellor of the Exchequer, who was later to be among the first to demand the retreat. When Britain was bombing Caiwhen Britain was bombing Caito in November 1956, Eden received adulatory letters from
Lords Home and Railsham, as
well as from more junior ministers. So it would be wrong to
blame the Prime Minister
alone

It was the same with Europe. Not only Eden but the entire Not only even but the entire British establishment misread, what was happening. The British Government declined to be represented at the Messina Conference in 1955 not because Conference in 1955 not because it was against greater cooperation in Europe, but because it believed that the original six founder members of the Common Market were incapable of pulling it off. In particular, it was assumed that France would refuse to go along because the French National Assembly had earlier vetoed the European Defence Community.

Defence Community.

Lamb seldom makes comments, preferring to let the records speak for themselves, but he does have a throwaway line in the section on Cyprus.

Old-fashloned colonialism, he writes, "was still current in the Eden Cabinet." The Cabinet distrusted the United States, distrusted continental Europe and thought that on the whole Britain knew best But it was the bulk of the Cabinet that felt that, not just Eden. coal. He persistently misread trusted continental the signals from the United thought that on States, which was opposed to the use of firce. He could almost certainly have reached a that, not just Eden.

realistic Ministers Could be came from Macmillan urging the integration of Malta with the United Kingdom, a measure that would have brought Mal-tese MPs into the House of Com-

I feel at this moment in our history," he wrote, "the volun-tary and patriotic desire of Malta to join us is something we ought not to repel Centrifugal forces are very strong at the mo-ment. Let us cherish any centripetal movement that we can

It took the threat of resigna-tion by the Secretary of Satate for Scotland to help put a stop

On domestic policy Eden was approached by Lord Nuffield who said that his experience of the car industry suggested that who said that his experience of the car industry suggested that the majority of workers would prefer secret ballots on strike action and on the election of union officials. The message was passed to Walter Monekton, the Minister of Labour, who dismissed it. Again it was not Eden alone who missed a chance.

It may be said that it is easy to criticise the Eden Government with hindsight. Yet all the criti-cisms could have been made at the time. The unfairness is to direct them all at Eden when by and large the Cabinet went along with him.

He also had one outstanding achievement shortly before he became Prime Minister. As Foreign Secretary he opposed the more bellicose intentions of the US in South East Asia, He did not believe that China was bent on aggression and thus quar-relled with John Foster Dulles, relied with John Foster Dulles, the US Secretary of State, and to some extent with President Eisenhower. Eden prevalled in producing peace of a kind at the Geneva Conference on Indochina, but his peaceful diplomacy did not endear him to the Americans. That may explain a lot about the American attitude towards Suez.

Books like this, incidentally, ought to be better edited. The King whom Neguib and Nasser forced to abdicate in 1952 was

# Galbraith's A to Z

A HISTORY OF ECONOMICS: THE PAST AS THE PRESENT

THORSTEIN VEELEN on dogs, St Thomas Aguinas on used cars, and Gerald Ford on how to Whip Inflation Now are just some of the highlights in this effortlessly amusing history of economics. If you want to know why Aristotle was an economic dunce, how free market economic how the state of the st e, how free market eco-

day.

The idea that economic theory responds to economic circles are their findings.

cumstances is extremely appealing. It explains why the intelligent but slave-owning Greeks had no theory of wage determination. It accounts for the rise of mercantilism in the merchant-trader dominated little and I'th centuries and its replacement by the plassical replacement by the classical economics of Smith, Malthus and Ricardo as the the industri-al revolution gathered pace in the following two centuries.

Marx's outburst was a perfectwas an economic by natural response to the early free market eco-cruelty of capitalism. The tri-me a religious to-umph of Keynesianism and the dunce, how free market economics became a religious totem and why the word professor
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pace with an ever-changing eco-nomic landscape. Don't there—Academic economists, by and fore harp back to Adam Smith's large, take themselves rather pin factory if you want to ex-plain the behaviour of IBM to-regard their discipline as a "sci-

yardstick of economic talent. As Galbraith observes, it is com-monplace for the researcher to start by assuming "perfect com-petition" not because this has ever been observed in our oli-gopolistic world of giant corporations, but because it makes the maths easier.

The rise of the historically-ig-norant and politically-naive arithmeticians has led to the increasing irrelevance of much of what passes for economics in universities. Stagilation ex-posed gaping holes in the logic of macroeconomic theory that have yet to be repaired. Micro-economics, the modern legacy of classical economics, looks evof classical economics, looks ever more eccentric. Stripped of its mathematical pretensions, it addresses a world that has largely ceased to exist: business is no longer (if it ever was) dominated by profit-maximising sole proprietors. The future theory of the firm', says Galbratth firmly, will have to be a theory primarily of bureaucratic structure and organisation if it is to have any relevance.

He points out, with evident

He points out, with evident amusement, that as things stand, the academic study of economics is no longer even rel-evant to a career in economic life. For that you have to study business administration. This is truly a sad state of affairs. It is time the economists put both business and politics back into economics. If that means chucking out a few equations, so much the better.

**Michael Prowse** 

### CRIME

by Jeremiah Healy. Macmillan, 28.95, 210 pages

THIS IS the third adventure of Boston private detective, J.F. Cuddy, the somewhat down-at-the-heels widower who - thanks to the inventive skill and com-passionate insight of the author passionate insight of the author
exists as an agreeable, convincing character beyond the
stories in which he is involved.
In So like Sleep, the plot is, as
usual, neatly constructed (except for a self-indulgent, but enjoyable excursion into Chicago
night-life); and the minor figures are sharply incised. Neat
construction does not, however,
mean happy ending. There is an
underlying bitterness in the
narrative that only heightens its
conviction.

HEN OF SUBTLE CRAFT by Roy Lewis. Collins, £9.95, 192

THE ZEALOUS INTEUDERS by Naomi Shepherd. Collins £15.00, 282 pages.

ing Europe's awakening geopo-litical and religious interest in Palestine in the wake of Napo-leon's disastrons campaign, the first European invasion of the Holy Land since the Crusades. The fascinating and colourful characters who lived in or visited Palestine through the cen-ARNOLD LANDON, the planning officer who has figured in a number of excellent novels by Roy Lewis, is, in Men of Subtle Creft, again sent to investigate an apparently straightforward application.

The disagreeable applicant is soon found murdered, and Landon, having met a number of possible murderers, is duly involved

William Weaver

Het Fatestine through the century. Some were found among the five Western consuls in Jerusalem. They included Emil Botta, the French consul who relieved the tedium of the 'palty eastern town' by smoking hashish, or James Finn the British representative who came unstuck trying to convert the Jews to Christianity.

Then there was Edward Robinson, the burly scriptural geographer from the Union Theological College of New York. Called the greatest master of tied Patestine inrough the cen-tury. Some were found among the five Western consuls in Je-rusalem. They included Emil Botta, the French consul who relieved the tedium of the pal-try eastern town by smoking hashish, or James Finn the Brit-lish representative who pame

the measuring tape in the world by his contemporaries, he used it to measure the walls

SUBTITIED The Western Rediscovery of Palestine' this fascinating book throws a beam of light onto the history of the Holy Land during the 19th century, a period which has been totally overshadowed by the dramatic and controversial events which occurred in Palestine during this century.

The author explodes many myths and refutes much convenentional wisdom in chronicling Europe's awakening geopolitical and religious interest in

rai fertility, the "uxuriance of the vegetation" and to Palestine as "the granary of Syria". In the same context, it is not-ed that the Ottoman system of punitive taxation in kind de-prived the farmers of the motive to grow other than subsistence crops, an attitude reinforced by the constant threat of pillage by the Bedonin raiders from the the Bedouin raiders from the Surrounding deserts. So, just when you thought that

everything which it was possi-ble to write about the history of Palestine had already been written, along comes a book which happily proves you wrong. Naomi Shepherd has performed a real service by hisperformed a real service by pie-cing together the history of 19th century Palestine in such a readable form for the first time.

David Lennon

# TRUTH BETRAYED by W.J. West, Duckworth, £12.95,

al chic. Titillating references fall from his lips which send us

THIS IS a curious book WJ. West (who has done good work on Orwell's career at the BBC) on Orwell's career at the BBC, appears here to be writing a history of the political and propaganda use of sound broadcasting in Britain and Germany in peace and war from the mid-1930s till 1940-41. West has delved with great

thoroughness into the archives of the BBC and the Public Record Office and he quotes copi-ously from multifarious docuously from multifarious docu-ments. He shows how Sir John Reith's early doctrine of the pu-rity and independence of the BBC gave way not surprisingly as war approached and arrived, to limited government control. The writer tells the story of the Nazi English-language New British Broadcasting Station,

STILL DANCING by Lew Grade. Collins £12.95, 314 pages

THERE ARE these two men. One, a Lew Grade, was a Jack the Lad when young, and is still capable of closing a deal before most people are out of bed in the morning. He is most proud of producing "Jesus of Naza-reth"-and from it a profit of

\$30m. The other, a Lord Grade, is

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purporting to come from Britain but actually operating in Germany. Many notorious figures shuffle on and off these pages: Shuffle on and off these pages: Vansittart, Rex Leeper, Horace Wilson of the official side; and Wilson of the official side; and off these pages: Count of the facts, and making countries on the facts, and making countries of the marrative is interrupted by haphazard, disjointed and often wild judgments on men and events.

Some of these are little short of absurd. For instance, at the poland was, we are told, to prove the crucial step that interpreted by the facts, and making countries of the marrative is interrupted by haphazard, disjointed and often wild judgments on men and events.

The British 1939 guarantee to Poland was, we are told, to prove the crucial step that brought about world war. The BBC and its staff, in common with most of the British in common with most of the British in 1940 are somehow traced back to a lecture given by Attlee towards Italy during the Abyshing and or a general history of the surface of absurd. For instance, at the polar was, we are told, to prove the crucial step that brought about world war. The BBC and its staff, in common with most of the British in 1940 are somehow traced back to a lecture given by Attlee towards Italy during the Abyshing and the staff of the staff

what had actually occurred.

The British 1939 guarantee to Poland was, we are told, to prove the crucial step that brought about World War II.

(Ritter, apparently, had little to do with it.) Or again-certain sinister peace propaganda moves in 1940 are somehow traced back to a lecture given by Attlee years earlier on Peace indvisible.

Douglas Jay

wrday Orlebe.

David Murray reports on rare Massenet and Bellini operas at the Wexford Festival

# Frank kitsch, lyrical strengths

BESIDES THE lusty fakery of Massenites claim for it, proof Giordano's La cena delle beffs, must come from a central pair of Wexford this year is offering lovers who really answer to Massenet and Bellini operas: nei-senet's period requirements.

an extra-prominent Fairy and an episode between ball and alipper-testing, in which Cinderella and her Prince meet secretly and fall into a magical sleep. In fact their main duet is located thera and at Wexford it is staged (and danced) as frank kitsch. The producer Seamus McGrenera has chosen to play all the sentimental portions of the opera thus, except that he also chooses to send up the breeches-role of Prince Charming the American mezzo Robynne Redmon is made to look like a plump, depressed cocker spaniel puppy.

That does nothing for the romantic idyll; and though Miss Redmon sings with affecting simplicity and very well, the Australian Claire Primrose's Cendrillon aims too broadly at mature feeling with a rither translet.

drillon aims too broadly at ma-ture feeling with a vibrato swell on every long note. Massenet's elegant line suffers. The fluid coloratura of Silvana Manga's Fairy never quite settles into the fragile idiom either: one finale which should be led by light, bright sopranos remained palpably earthbound with this pair. It was not the fault of the conductor Stambane Cardon who discounted the conductor of tor Stephane Cardon, who drew unassertively stylish playing from the RTE Symphony

moughout the opera.

The comic side of the opera is onely, well served by Joan Dahomely, well served by Joan Da-vies' booming yest as the step-mother - no hint of the sour mal-ice that her husband and servants perceive in her - and absted by a pair of looply back-ward stepsisters (Jane Webster and Therese Feighan). Poor Pan-dolfe, the defeated husband, is phressed with distinction and rem-derness by Pierre-Yves Le Majost derness by Pierre-Yves Le Maigat (whom I admired in a Campre opera last year at Air), and various lesser roles are expertly filled. Nonetheless, if Condrillon really has the potent charm that

As a sense and Bellini operas: nessense and Bellini operas: nessense and Bellini operas: nessense as the footonoughly forgotten as see Giordano. (these ones do surace at rare intervals), but both unfamiliar in Britain to anybody except sasiduous fana. The Massenset is his "Cinderella," the 1899 canon it comes just before the same as the stance or less the usual story to shapely, characteristically faux natiful music, with faint Wagnerian echoes that are smoothly covered by the pervasive manner, all innocnous sweetness.

Henri Cain's libretto expands he for the stage only with a varied. There are many simple, but beautifully elaborated and varied. There are many simple, but beautifully elaborated and varied. There are many simple, but beautifully elaborated and varied. There are many simple, but beautifully elaborated and varied. There are many simple, but beautifully elaborated and varied. There are many simple, but beautifully elaborated and varied. There are many simple, but beautifully elaborated and varied there conceives a consciously wrought and effective ensembles, and a purposeity beautifully esperate beautifully esperate beautifully ensembles, and a purposeity. It is a strain to the stage only with a varied there are many simple, but beautifully elaborated and varied there are no state of the stage only with a varied the stage only with a varied there are many simple. There are many simple collinar of Act 1 was reduced to a copout, and Russell Craig's beautiful to the conceives a conceives a conceives a strain the mysterious similar in outline, but beautifully elaborated and varied the conceives a conceive a conce

The story that served as besig South Bank should be an im-for Felice Romani's libretto was provement. Perhaps Camen was being solicitous for his young leading singers Renata Daltin and the

licitous for his young leading singers Renata Daltin and the Latvian Ingus Peterson, whose histrionic gifts stretched only as far as natural ameerity will go, but who boasted voices - and musicianship - of high-calibre promise and character. Bellini deserves no leas, and the dark, interesting timbres of these principals exerted a substantial appeal. As the unhappy brother, the American Jake Gardner welded a bartione of leas specific density but considerably more artful professional polish; he will be a sterling saset to many future productions. His wife Cynthia Clarey made a heartfelt isoletta (Arturo's officially intended bride), salvaging her recessive thrust.



Conductor Bernard Haitink

**Book Review** 

# Lives worth telling

Charles Mackerras: a masicians. By Nancy Phelan Gollancz, £16.96, 367 pages

Bernard Haitink - A Working
Life. By Simon Mundy. Dobson, £12.96, 191 pages

BIOGRAPHIES OF living conductors are generally an awkward, unsatisfactory genre. Was it really necessary? is the response to all too many samples of it the lives of most are hardly worth the telling, except as a record of work, or insofar as the needs of hardy fans must be attended to; and if the author has profited from some degree of collaboration with the biographee, it is not to be expected that controversial or "difficult" aspects and episodes of the career or the character in question will be examined with the desirable amount of candour or persistence.

In this light Nancy Phelan's biography of Charles Mackerras and tactless, also friendly, unprestend that the biography of a musician known, admired, respected, and in this country, indeed, venerated as one of the most completely equipped and profes-

sicisn known, admired, respected, and in this country, indeed,
venerated as one of the most
completely equipped and professional of all living conductors reer, the capacity for overwork
would all the same produce a not
very gripping tale, for Mackerras
is an unglamorous figure, celebrated entirely, and in the best
music to Elliott Carter, every
kind of opera in every sort of
heard and reported, and from beperforming circumstance) and
accomplishment of his musical
gifts. Then, we read on the flyleaf that the author is a Mackerras cousin, who had the benefit
of the conductor's full co-operation: at the end Mackerras himself supplies five appendices in
which five topics (the apposgiaturs, Mozart, Handel, Janacek,
and aspects of conducting) of
particular significance to him are
discussed.

Soft-focus treatment, domestic
in style and scope, might have

Garden.

All this makes good, informative reading. The disappointments of the book lie in the author's pedestrian style and, more significant in a work of this kind, in her lack of informed musical judgment. We judge this not just in her handful of musical howlers (Haydn didn't write an opera Berewice but a solo concert cantata, "Berenice"), or in her absurd remarks about opera in English, but in her failure to consider Mackerras against a background of great conductors past and present. The

conductors past and present. The distance between supreme exper-tise and genuine creative imagi-nation is both a short and a mysterious one; only in Janacek do I recall a Mackerras performance crossing it. All the same, the variety and vitality of the man and his career come across with some

Bernard Haltink, another con-ductor of honest, un-glamorous cast and style, and one of more limited musical range and speed limited musical range and speed of absorption than Mackerras, has by contrast crossed that distance in a good many of his undertakings. Simon Mundy's book, skimpy in size and excessively circumspect in treatment of the conductor's private life, is at once more informed in its musical judgments and much duller to read. It seems, after a while, like one steady, level-headed plod the passionate enthusiasm that Haitink's greatest performances (his shattering Glyndebourne Don Giovanni, his aweinspiring Shostakovich 10 and Bruckner 5) can inspire is almost never reflected or touched on in reper reflected or touched on in the text. A useful reference book (as in the Mackerras volume, there is a list of complete recordings); as a portrait of a great conductor it hardly begins to do

Max Loppert

### Lally: Atys. Mey, Laurens, Mel-lon, Gardeil/Les Arts Floris-sents/Christie, Harmonia mundi France CD 901257.59 (3

Parcell: Anthems for the Chapel Royal Choir of Trinity College, Cambridge/Marlow. Comfer CDCF 152

Parry: Songs of Farewell Stan-ford: Three Motets, Eternal Father, Magnificat in B Flat. Choir of Trinity college, Cam-bridge/Marlow.Conifer CDCF 156, LP CFC 155, casseste MCFC 155.

ATYS IS a welcome memento of the tercentenary production by Jean-Marie Villegier given with resounding success earlier this year in Florence, Paris and Montpellier - the Paris showing was praised on this page by Max Loppert. Once again William Christie conducts the expert "Arts Florissants" group. There are some cast differences. Even without the important visual element one can understand from ATYS IS a welcome memento of ment one can understand from this vivid and convincing recording how that success was won. This is one of the best introduc-tions so far to the absorbing, not

tions so far to the absorbing, not really remote or inaccessible world of ragedic lyrique.

To share in these mysteries you don't need to be a prince of the blood, a court dignitary or a Mme de Sevigne. Ordinary people watched public performances, hummed Lully's tunes and fitted disrespectful words to them. He was not a Mozart, Verdi or Wagner. He lacked the breadth, poetry and originality of his successor, Remeau. Some of his airs start with the ample grandeur of Handel only to trail away, as much because Quiaway, as much because Qui-nault's words were not designed for melodic expansiveness as for lack of invention. Sometimes in

Records

cellent librettist, a dramatist of useful experience, one of whose telents was a gift for cut-and-thrust dialogue enabling Lully to demonstrate what he had gleaned from the deciamation of the leading actors of his day. The Comedie-Francaise and the operawere friendly rivals whose respective stars admired and spective stars admired and learned from one another. Lully is so good that one is tempted to forget and forgive his monstrous-ly despotic, monopolistic behav-iour, which his employer, Louis XIV, did nothing to discourage.

Between them Lully and Qui-nault reached a high level of sonanit reached a high level of sophistication, for example in their
sure control of dramatic pace.
The prologue to Atys (and prologues can be deadly) is swift
and compact - no time for anyone to get bored - with a wellplaced lollipop in the ravishing
gavotte for the followers of Flora. Note, in act one, the natural
ebb and flow of the recitative
dialogue and the skilful build-up
to the entry of the goddess Cybele. The quick-moving intrigues of
the second act are a foll to the
soothing languous of the sleep
scene in act three - in every
sense a point of repose.

Act four brings comic relief in

for melodic expansiveness as for lack of invention. Sometimes in place of Handelian vigour we are offered only vivaciousness. As a composer, Lully belongs in the second rank. As a musician of the theatre he was a master, forging a new art-form almost single-handed.

One says "almost" because he had the luck, and the discrimination, to find in Quinalult an exponent of repose.

Act four brings comic relief in the person of Sangar. The fifth and last act, when Atya driven and by Cybele, kills his beloved Sangaride and is saved from killiming into a tree (an umbrella pine, to judge from the reproduction of the original decor, though a weeping willow would have been more suitable) has a re-

strained, elegine quality different from the formal expression of grief one expects.
Guy de Mey's intelligently ex-

stant Atys, reputedly incapable of love, has more dimeuty in loving himself he the fourly imperious Cybels, Guillemette Laurens (of whom we must hear more) is majestic and scornful Agnes Mellon is sweetly sympethetic as the much put-upor Sangaride Jean-Francois Gardel

Claire Primrose and Robynne Redmon with the Wexford Chorus in "Cendrillon"

thetic as the much put-upon Sangaride. Jean-Francois Gardell brings distinction of the equally badly treated Phrygian kin, Celenus. The general standard of singing is enjoyably high. The recitatives, in particular, are delivered not only pointfully but with good tone. Splendid to have such a work on CD.

Purcell had more natural ganius and a finer imagination than Lully without, also, the time or opportunity to develop these qualities. Yet his Chapel Royal anthems, including "I was Glad" (written for the coronation of James II) and the haunting "Hear my prayer" make less than the expected effect in these sound, uninspiring readings by the choir of Trinity College, Cambridge. One feels one is transported back to the days before Britten, with his love and acute understanding of Purcell and his gift for performing his music, sharpened our appreciation.

tion.

Parry and Standford evidently make readier appeal than Purcell to Richard Mariow and his Trinity choristers. Parry's Songs of Farewell (1916) are sung with such wholehearted commitment that many a waverer about this period of Eng. Mus. may be converted. Stanford is here overshadowed. Parry at his most eloquent makes him appear faceless. Not the performers' quent makes him appear faceless. Not the performers' fault - the singing is polished and the antiphonal writing of the motel "Coelos ascendir" (one of three written for this choir) is admirably exptured. Now, which of our enterprising recording communics is some to give us companies is going to give us Shamus O'Brien?

Ronald Crichton

# Page's Angel of Death

ASHLEY PAGE, admirably expressive dancer with the Royal Ballet, hats, over the past four years, shown an original and persuasive gift for choreography. He was rather chucked in at the deep end when called upon to make a first professional ballet.

A Broken Set of Rules - on the Opera House stage, but his Cormen Arcadiae for Eambert, and his repent and sparkling Pursuit at the Opera House, argue a gift for neo-classic choreography that its well worth encouraging.

Mr Page has also, over the past three years, shown more experimental pieces under the segis of Dance Umbrella which, if nothing else, serve to get certain ideas outo a stage where their merits may or may not be appurent. Young choreographers are by the nature of their sir, called upon to make their mistakes in public, but we might have supposed that Mr Page was sufficiently expert by now not to have inflicted something quize experiment were there any sign poed that Mr Page was sufficiently expert by now not to have inflicted something quize experiment were there any sign in the programme sheet was large of Dance Umbrella.

What I saw on Thursday night to this sural treat. What I saw were polite classical enchainments, occasionally the firm of his system. He has far ryn Dunn, Peter Abeggien of the Royal Ballet, and Catherine Whitel were hideously garbed in leotards with metallic accessories Mr Page wearing a brassiere.

# Harrell at the Wigmore

with Rostropovich proving such an awesome presence in London's musical life this month, it must seem almost an act of hubris for any other cellist satisfactory results. The sixth, to offer a solo recital. So one should certainly not underestimate the strength of personality difficulties, had a poise and that brought Lynn Harrell to the Wigmore Hall on Thursday night or his achievement in drawing a full and enthusiastic audience for the event.

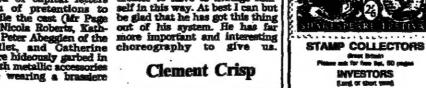
Whatever music may be on hand, Harrell is always very much his own man A big-boned strength of tone is his to command without any apparent effort and there is an uncompromising feel about his playing that keeps the listener strictly to attention at all times. None of Rostropovich's flamboyance or Torteller's idiosyncratic, quirky

WITH ROSTROPOVICH proving humour is allowed to disturb the conviction: Hindemith's Sonate for unaccompanied cello came across with much aggressive intensity and we had the ironic sight of the cellist finding more music in what is essentially a

less rewarding score.

As to the reach of the programme, though, no complaints. called Spectroscope by Nigel Clarke, a young composer who completed his studies at the RAM where Harrell teaches, and its inclusion did nobody any strange pizzicati and glissandi are here, but used with a sleight
of hand that keeps them fresh
and alive. And all were technically enthralling, as indeed had been every item of the evening.

Richard Fairman



Radio

# Citizens of youth

CITIZENS (Radio 4, Tuesday and Thursday) is said to be an exam-ple of the way this channel is to move towards younger listeners, so the central citizens of the community thought up by Marilyn Imrie and A.J.Quinn are in their early 20s. Most of them have decent jobs. Alex Parker (Kate Duchene) has a house in Ditcham Heath, SW 21, where live Anita Sharma (Seeta In-drani), a Birmingham Hindu doc-tor, qualified at Leicester, twin Irish Catholics Julia and Mike Brennan (Beverley Hills and Russell Boulter), and a trainee manager, he a drop-out; and Scottish Hugh Hamilton, in a merchant bank. Plenty there for young listeners to identify with.
The two 25-minute slots replace

play on Ezdio 4 and has been . Radio 1's short hourly Drug poorly cut. It starts with Russell Alerts by Jonathan Moss were (David Lear), a supermarket as sharp-enough. Each deals with a sistant manager, in trouble over different case of addicton hero at ill deficit; but the obligatory in, Aids from shared needles, junt is not he but his mate sharp-enough. Then all Dietrick Combbs a material of Combbs and Fourth Combbs and

inkie is not he but his mate junkie is not he but his mate Mike (William Armstrong), and the kind of casual Radio 1 listen-er probable at 7 pm on Sunday may well not follow the change of viewpoint. It's all about Mike from there on, largely in mono-logue. His mum consults a social The two 25-minute slots replace from there on, largery in monda 30-minute play on Tuesdays and Analysis on Thursdays, and there is an omnibus edition on Saturdays. We must wait a bit to get money for his smack he goes absent from his job at one While Radio 4 turns to soap, Radio 1 turns to drama. Sunday's Dancing with the Dragon, by did not hold me. Penny Gold di-nected.

glue-sniffing, speed. They all seemed to be curable. I suggest more horror and fewer cures

might shake people more.
Radio 4's Monday Play was a repeat of Anna Devin's Naming the Names, that starts like a romance and blasts cunningly into Belfast warfare. From Victory played Englast warfare. played Finn, who has an affair with an English judge's son so she can betray him to the Provi-sionala A magical play, finely directed by Susan Hogg; but, without taking sides, I would like a rest from violence in

on Tuesday, Radio 3 gave us a version by Peter Barnes of Don Juan and Faust, by Christian Dietrich Grabbe, a contemporary of Buchner. John Shrapnel and Robert Lang played those co-protagonists, Shaun Prendergast a likeable Leporello, Tina Marian was Donna Anna, The Don Juan part derives from Da Ponts rather than Tirso de Molina; Juan desires Anna, kills Octavio (to whom she is engaged but not attracted), kills her father the Governor. Meanwhile Faust, having made the usual bargain, also wants Anna, and takes her to a palace the Devil has built him on top of Mont Blanc, where he re-

veals to her the fatal truth that he is a Latheran. Juan and Lepo-rello climb up after them, but the Devil chucks them off, and the Devil chucks them off, and they land in a graveyard containing a statue of the deceased Governor, which they naturally sak to dinner.

Faust, with his Devil, also comes to the fatal meal. He reveals that Anna is dead, and is almost at once sent off to Hell, his contract having element.



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# WEEKEND FT

SPORT •

Golf/Ben Wright in America

# A bad case of the yips

IT HAS probably escaped the notice of the Great British Public that your correspondent was recently involved in an in-hole challenge match in the US against a journeyman touring professional from Escondido, California, Gary McCord.

McCord, winless in 15 years on the circuit despite his considerable ability, has recently turned his attention to television commentary of a somewhat irrever-

his attention to television com-mentary of a somewhat irrever-ent and occasionally verbose variety as a colleague of mine with a major American net-work. His reception by the pub-lic here has been extreme at both ends of the spectrum. The fast increasing sudience for golf on television find McCord either refreshingly bright or plainly hateful - there is no mid-dle path.

Having narrowly defeated McCord in a friendly match early in the 1987 season my victim thirsted painfully for revenge and duly achieved it in stunning fashion at Wexford Plantation on Hilton Head Island off the on Hitton Head Island on the shores of South Carolina in April. McCord shot a course re-cord 64 that fateful day, and I was destroyed both mentally

was destroyed both mentally and financially.

To his eternal discredit McCord subsequently chose to gloat grossly on the air about his triumph, in the process crucily disparaging my admittedly sadly diminished ability.

The challenge match was arranged at The Goif Club in New Albany, Ohio, in late May, with your correspondent in receipt of a stroke at every hole, although I currently carry a handicap of 12.

The trouble was that I had to lay from the tip of the tiper.

play from the tip of the tiger tees on a magnificent Pete Dye-designed layout measuring 7307 yards, par 72. To make matters worse, there had been four inches of torrential rain the previous day. McCord duly arrived in a T-shirt bearing the insignia of the 10ist US Airborne Division, array comparison fatigue tousers.

loist US Airborne Division, army camouflage fatigue trousers, a beret decorated with a headband bearing a Japanese motto, and Kiwi boot polish smudged under both eyes. The fine American player Mac O'Grady, McCord's best friend on tour, was his caddie for the occasion, clad in top hat and tails with red bow tie, studs and cuff links. The game was on.



To cut short a lengthy story, the professional pulled every dirty trick in the manual of gamesmanship, and succeeding in disturbing my concentration to such an extent that I fatally 'twitched' or 'yipped' four putts, of less than two feet. Three down with four holes to play, I won the next three. But McCord holed a monstrous putt of some 35 feet for a birdle at the final hole to win the match. Even O'Grady conceded me a moral victory.

But that was when the trouble started. He also handed me a lengthy questionaire compiled at the University of California, Los Angeles, (UCLA) on his behalf - O'Grady is funding the research project - by Dr Keith McDaniel and Dr Jeffrey Cummings. McDaniel trained in neurology and psychiatry and is a Fellow in the Neurobehaviour training programme, Department of Neurology, UCLA School of Medicine. Cummings is, among other qualifications, Associate Professor of Neurology and Psychiatry at the same UCLA school of medicine.

The subject of their research But that was when the trouble

The subject of their research The subject of their research is, of course, 'the yips'. As O'Grady describes it in his accompanying letter to USPGA tour members and me, this is a 'most important first step in an effort to understand this disturbing condition that has affected competitive golfers for decades.' In actual fact the

puzzie No. 6.464

Mrs F. Blackett, Dornock, Sutherland; Mr B. Crowther,

Stockport, Cheshire; Mrs A.

Gray, Minebead, Somerset; Mr W. Hutt, Latterworth, Leics; Mr W. Marlar, Led-

Protestant, Catholie, Muslim, Buddhist, Hindu, or anything else. One doesn't have to an eminent medical man to know that the yips respects neither creed nor colour.

Question number 12 was even Question number 12 was even more disturbing. It listed twelve drugs, none of which I had even heard of, that I might have been taking before developing the yips. There followed three questions concarning serious illnesses, injury and affliction I might have suffered. But worse was to come.

was to come.

Question number 17 inquired whether one had been born prematurely, jaundiced, by forceps delivery, Caesarian section, or required a respirator. Or had my dear mother suffered prolonged labour? There followed two questions about various awful complaints members of my family might have suffered like Dystonia Musculorum Deformans or the fearful Myoclonus. mans or the fearful Myoclor whatever they might be.

Only when it reached ques-tion number 27 did the ques-tionaire instruct those who do tionaire instruct those who do not suffer from the ylps to proceed to question 89 which asks, finally, if the victim would like to participate in further research on the subject. This perhaps unconsciously implied that if one had answered the first 27 questions one would probably have contracted the malady by then, or something even worse.

malady by then, or something even worse.

The next 30 questions went into graphic, incredibly detailed questioning on the yips, like question number 45, which reads: When you are yipping putts do your eyes have a tendency to jump forward and focus down the target line towards the hole? My eyes have never yet jumped anywhere, at least to my knowledge, nor have I suffered a subarachnoid haemorrhage, which was referred to in an earlier question.

Question number 57 was perhaps the strangest of all. It read:

with the questionnaire, however.

The first nine questions were simple enough. But the tenth and eleventh started to worry me. Does it matter whether one is white, black, oriental, Hispanic, American Indian, Asian, Middle Eastern, or Pacific Islander? And just as surely it appears entirely irrelevant that one's religious background might be Jewish, Jewish (Ashkanazi), Jewish (Sephardic),

Question number 57 was perhaps the strangest of all. It read:

If the yips occur during tourns ments, on what hole do they usually begin? If I knew the answer to that one I would always wilk off the course just before well, whereupon the question. By well, whereupon the question most intimate complaints. Emough was enough.

THE advertisement in yester-day's South China Morning Post invited Hong Kong tennis fans to "experience the action" themselves. The action is at Victoria Park on Hong Kong Island's Causeway Bay, where the \$200,000 Seiko Super Tennis tournament is the Crown Colony's annual sporting spectacuny's annual sporting spectacular that has been part of the Grand Prix competition since 1973.

the tournament stays in the Grand Prix, which keeps refusing applications to be upgraded to Super Series status with its higher points and guaranteed allocation of top ten players.

Ironically the three players who appear in the advertisement - American David Pate, ranked 18th in the world, Yugoslav Slobodan Zivojinovic, ranked 19th, and defending champion Ramesh Krishnan of India - all lost, though Krishnan was forced out half way through the first set because of an injured calf.

first set because of an injured calf.
For the organisers, Tennis Patrons' Association of Hong Kong, it seemed a disaster since Jimmy Comors, Andres Gomez and Aaron Krickstein had already pulled out on the eve of the tournament.
To those who follow the modern game, these losses and the demise of four other seeds were not surprising. Today's young professionals are far better than most of yesterday's men.
Outside the world ranking top 10 there are 100 or more eager competitors capable of beating the seeded players. There are no easy rounds any more, even in the qualifying tournaments
Joey Rive, the 24-year-old American, is typical of the new breed. Born in Puerto Rico, he went to Florida State University, graduated with a psychology

ty, graduated with a psychology degree and joined the tour later

degree and joined the tour later than most.
Yesterday he caught Pate off gnard. The favourite arrived late from Auckland after winning a special event, and had not practised in Hong Kong because of torrential rain. He still felt low following the tragic news that his best friend had died in a car crash in California.

nia.

But Rive, a strong left hander, was always likely to press Pate to the limit. He has beaten fellow Americans Paul Annacone, Mel Purcell, Tim Mayotte and also Zivojinovic this year, and has been nominated for the ATP award of Most Improved Player of the Year. He has lifted his ranking from 263 to 105. Rive was reminded of the harsh realities of the circuit by

**TELEVISION AND RADIO** 

Tennis/John Barrett in Hong Kong

# **Bates shows** some steel

Jeremy Bates, who beat Australia's Mark Kratsman after being a set and a break down. He did it again to beat Rives 5.7, 6.4, 6.4.

This is not the Bates I remember as a talented but fragile performer when he was best British junior of 1980. Here was that makes him look a different prospect. What has made the difference?

Last May I suddenly realised ting fitter.

It all happened for me at Wimbledon. I got to the third round of the singles and Jo Durie and I won the mixed. It was a fantastic two weeks that gave me motivation and enthusiasm to work even harder. It's been 5 months now and I'm still enjoying the training. Every time I go on court I know I won't lose because I'm more tired than my opponent. It has done wonders for my confidence.

difference?

"Last May I suddenly realised I had never been committed. Many people, including Paul Rutchins, told me I had talent but had never developed it. Although I believed them I could never give myself 100%. One day I was chatting with Warren Jacques, who had helped Kevin Curren and Steve Denton. What he said seemed to make sense. I suddenly decided to hire him. "It was expensive but perhaps

for my confidence.
"At last I've found a ruthless streak, something my coach Alan Jones has always wanted to see. I'm starting to impose myself on the opposition instead of hoping he will miss if I'm steady enough. And it has all come naturally out of the training. There's still a lot to do but at least I'm going forward again."

for my confidence.

"It was expensive but perhaps that was what I needed; realisation that it was costing me money. For a month before Wimbledon I worked as never before. As well as hard practice sessions with Kevin and Stefan Edberg, I was running and doing exercises every day. It killed me at first but I was gradually get-

It also produced a tightening of Bates' muscles, the steel cibow all tennis players will recognize as the fear of winning. Two more match points came and went and Nijssen suddenly hit some blazing winners. At 5-2 Bates served for the match. Again Nijssen hit his winners.

At 5-4 Bates knew the loss of another service game might prove fatal. He went on attacking and won. Six months ago he would not have won any of the three matches that have taken him to only his second Grand Prix semi-final.

The previous occasion was in Tel Aviv in 1985. Today he plays experienced Australian Davis Cup player John Fitzgerald. It will be an interesting test of his

Zivojinovic's 7-6, 3-6, 6-4 defeat to young American John Ross was another example of nose was another examine of the taxing nature of today's cir-cuit Against another promising newcomer, "Bobo" ran out of steam at the end of an exhauststeam at the cital of tourna-ing four week run of tourna-ments in Basic, Sydney, Tokyo and Hong Kong, his 21st tourna-ment in a busy year in which he has also played two Davis Cup

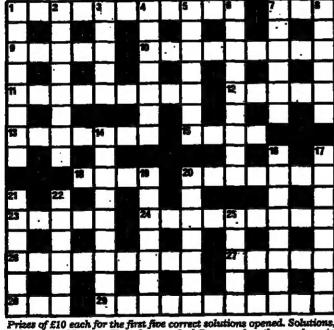
ties.

This sort of schedule might be alright for a player losing in the first or second round each week. But these days Zivojinovic is reaching most semi-finals. Like Lendl, Becker and Edberg he admitted he would have to



Jeremy Boton: all-out offert

### FT CROSSWORD PUZZLE No. 6,470



Prizes of £10 each for the first five correct solutions opened. Solution to be received by next Thursday, marked Crossword on the envelope. The Financial Times, 10 Cannon Street, London £C4P 4BY. Solution

- 1 Stub foot in cruel accident
- 7 Repeat "there's 28 off this 9 Frequently about one foot inside (5)
- for us (4, 5)
  11 A crowd handled diamonds with excessive fear (9)
- 12 Grass on head waiter with 13 Serious love leaves one in
- tears, perhaps (7)
  15 Loud suit needs sending back, pet (4)
  18 Back street artist turns
  against emperor (4)
  29 Scour lists in church (7)
- 23 Rock show starts dead on (5) 24 Festival for writer Lawrence 26 Doctor roared "ring me from
- the airport" (9)
  27 Sailors love holding party to music (5) missing" (3)
  29 Talks to Ken, a confounded
- crawler (11) DOWN 1 Replace the cot after getting. credit note (8)

  2 Awkward word aunt's re-
- written (8) 3 I'm not in time and not a singer (5)
  Put a new coat on? (7)
- Wealthy orchestra leader turned up on time (7) 6 Airforce article wrapped in wet fluff, possibly (9)
- 7 Excited when pistol practice is included (6) 8 Spanish brass to end strip-
- tease dancing (6)
  14 Londoner in holiday region 16 Why one can't go off with Simon in a mess (8)

17 About ten trees do produce something sweet (8)

SATURDAY

dreaded subject was re-searched in England many years ago, but I never received the findings of that project. In their preamble the emi-nent California medics de-received the virus as the conver-

nent California medics de-scribed the yips as 'the occur-ence of involuntary muscle cramps, jerks or tremors that occur when you are golfing -most likely when you are put-ting - but they may affect other movements or occur at other times. The yips is not anticipa-tory anxiety or performance.

tory anxiety or performance anxiety, i.e., it is not the sense

of nervousness or anxiety asso-cisted with stress."

That may be, but nevertheless few of us who have suffered, or are suffering from the dread malady are likely to feel happy about it, or devoid of stress. It has done nothing to improve the game or disposition through the

ages of such luminaries as Sam Snead, the late Henry Lon-ghurst, Arnold Palmer, or the youthful Bernhard Langer. On with the questionnaire, howev-

BBC2

12:15 pm Open University. 1:89 Network East. 2:16 Filth Club Matines. \$2:15 Filth: "Short Environment" (English subtlies). \$2:16 Filth: "Short Environment" (English subtlies). \$2:16 Filth: "Short Environment (Indian Short Starting Robert Armstrong and Helen March, 6:48 The Robert American Bridge Club, 6:48 The Week In the Londs. 8:15 Newsystem, 8:35 The Felf-Quine. 7:48 Dance From America: Belanchine. 8:28 Fortunes Of War. 18:45 The Filth Club. 18:28 Fortunes Of War. 18:45 Filth Club. 18:28 Fortunes. Of War. Of Disneter" (English substan).

# LONDON

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BORDER GAT JAMES (1992). 1988 4 What It's Worth, 1938 Sociard's Story, 1138 Old Country, 1138 Sociard's Story, 1138 Old Country, 1138 Sociard's Story, 1138 Sociard's Speed Chees Carengionships, 1138 Sociard Speed Chees Carengionships, 1138 Politry Ladies, 1398 Murun Buchstansengur. 1138 Channel 4 Racing rom Newmarkst. 1238 Farmers' starting Clark Gabtie with Myrns Loy, 496 in The Doginate, 5368 Boxolasido Christians, 6368 Royal Royal Chees, 6368 Boxolasido Christians, 7388 Royal Royal Chees and Chees and Farmers's Sociard Speed S

CENTRAL. 11:56 am Family Feeture First "Treature te Snow". 12:50 pm Porky Pig. 18:56 Pris at Block H. 11:50 The Big Match, 12:39 am

CHANNEL

SCOTTISH 11:38 am America's Top Ten. 12:38 international Summing - First Stales City of Duncier risemational Swins Meet '67', 18:38 pm Late Call Guid-Figs; "Where The Lacies Get" (1V movin).

TSW

TYNE TEES

YORKSHIRE 11:30 am "Hector's Burnyo", 10:00 pm Harmer House of Horror. 11:35 The Saturday Late Film: "Sufferily" starring Stacy Keach, Pia Za-dora and Orton Welles. 1:30 am Melajown. 2:38

BBC RADIO 2

**BBC RADIO 3** with the London Bacoque), 7118 The Story of our Desighter Virginis by Gelar Mokeosith, 7580 Berlin Philiharmonic Orchestre conducted by Barnard Haltinic Webber (Pieno Cooperis No 2, with Patier Flowed), Mahler (Symphony No 1), 8885 French Callo Music playad by Monay Webb with Merin Planace (pieno), 8280 Monay Webb with Merin Planace (pieno), 8280 The Little Platator, 19118 CAT IN

Said in Thirty

The Marie

### **BBC RADIO 4**

ESCO PLASTIC 4.

12:30 Breatway, 16:30 News, 12:30 Sport On 4.

12:30 Breatway, 16:30 News, The West Intend by Ned Sherin, 11:30 News, The West Intended by Ned Sherin, 11:30 News, The West Intended Library, 11:30 News, The West Intended Library, 11:30 News, 12:30 Ary Questions? 1:35 Shipping Forecast, 2:30 News, Second Editor, 3:35 News, Pay, The Deception of the Thrush by Jame Season (s), 4:15 She Corecte Melor's Tale (a), 4:38 Science Now, 2:30 Conversation Place, 2:32 Week Enting, 2:30 Shipping Forecast, 5:35 Weeklers, 5:30 News, including South Places, 5:35 Weeklers, 5:37 News, including South Places, 5:35 Weeklers, 5:37 News, including South Places, 5:35 Shipping Forecast, 5:35 Weeklers, 5:37 News, in-

### SUNDAY

space flight (6)
22 Bird, 19, drops apple core

SPARETIME JOB
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BBC2 Total and The 1987 Formula One World Championship: Japanese Grand Prix in Suzaka. Scill Nov On Two. 1928 Whitrybridz. 1939 Coheseus: The Gestatat Here of Them At 1915 The Charle Brown and Stoopy Show. 1828 Now kit You. 1948 Shu Peter Cronibus. 11:30 The Frenker. 1280 Whidmill, 1:30 pm No Limits. 2:30 Fugley Special. 2:30 UK Indoor Strajes Books Championship. 3:40 Fifth: "Ian Tall Man" Starting Bart Lancasier. Gilbert Robard and Kleron Moors. 4:25 The CS Insurance UK Indoor Singles Bowle Championship. 3:40 Fifth CHAINSMOKER FOR A B I A I E R E TERSE RETENTION A U C R C O G N REPLEMISH VOICE A T E A D T CALLOUS NETS T Y P E S P LEFT SIDECAR S L R R H H O CHINA AMUSEMENT A M T V D N D R REPRIMAND SCUBA I V I E U L C S I D ENLARGEMENT A S L R R H H O CHINA AMUSEMENT A M T V D N D R REPRIMAND SCUBA I V I E U L C S I D ENLARGEMENT

LONDON LONDON

200 am TV-em Bresidest Programme, 9:285
Water Up London, 9:285 Sunday At No 73, 19:39 The Adventures Of Black Beauty,
13:390 Morning Weening, 12:390 Westernd World,
13:90 pm LWT Never Headines followed by Police
5:150 Link, 13:80 The Care Beans, 2:09 The Hunter Feator, 2:390 White Digney Presents: Winnle The Pools and The Horsey Tee, 3:500 The Worst Witch, 4:290 Knight O' God, 5:500 Ballesye, 5:290 Sunday Sunday, 8:300 News, 6:490 Ballesye, 5:290 Sunday Sunday, 8:300 News, 6:490 Highway, 7:156 Street Form The Pediadium, 2:485 News, 9:390 The Cherner, 16:000 Spitting longe, 18:280 The South Ballet Show, 11:380 LINY News Headines followed by American Documentary, 12:380 am Mary, 12:80-6:18 am Night Newards.

Gunnridge Down Under, 12:90 The Weltons, 1:00 per Treasure Hurt, 2:00 Empress WJ, 12:00 Top 1:00 Find The 2:00 Very City State of Colons, 4:05 The 2:00 Very City Mark, 5:15 News Summery to-lowed by The Business Programms, 8:56 American Football, 7:15 Bake, - Pagile of the Rainfords Tootball, 7:15 Bake, - Pagile of the Rainfords Tootball (1:00 Per Pagile of 1:00 Pe

SAC WALES SAND WINNELSON
SON AM HISTORY THE World This Week,
11:30 7 Days, 11:38 Worzel Guzzmidge Down
Under, 12:38 The Welton, 1:38 per Arwyddon
Plyndd, 1:30 Off The Page, 1:38 per Arwyddon
Plyndd, 1:30 Off The Page, 1:38 per Arwyddon
Plyndd, 1:30 Off The Page, 1:38 per
Love Melvin's starting Downto O'Connor, 2:38 Enocir A Life in Politics, 4:15 Equinox, 5:18 The
Business Programme, 8:58 American Footbel,
7:16 Sam Tan, 7:25 Menyddion, 7:38 Phagier;
Hysel Genghryn, 8:19 Polot V Cam, 8:48 Dechreu Canu, Dachreu Cannol, 8:19 Tiel Dall Ar
Brent', 19:38 Hel Streeon, 11:39 Michelengel
Plays Beckhoven.

ANGLIA

BORDER

1:50 pm Carstal News, 1:59 Central Post, 1:59 Here And Now, 4:16 Cartoon Time, 8:06 Highway To Hassen, 4:30 Subseys, 8:35 Central News, 11:38 Prisoner Call Block H. 12:35 am Donahue, 11:35 Thrifter Cassion: "Operation Amsterdam" starting Poter Fanch and Brit Bartoi, 3:39 Central Starting Poter Fanch and Brit Bartoi.

CHANNEL 9:25 and Today's Weather, 9:25 1:00 per Link, 1:15 Les Français C Enterprise South, 4:15 The Classic

GRAMPIAN 9:25 am Cartoon. 11:59 Staring - 'St hel Billiah' lunior Staring Championshipe' 1:59 pm Fern-ng Cuttoot. 1:59 Spacewilch. 1:46 Left. 4:15 long & Dally 8:59 Societion. 8:59 Bulleye

8:28 am Sunday At No 73 followed by Speedy and Delly, 1:80 pin Risharies Nave. 1:66 Faming Nave. 1:46 Link followed by South West Link 4:19 Cantoon Time. 4:39 Gendens For AL 5:66 Knights of God. 5:59 Sundays 6:09 Sudays, 6:55 TSW Nave. 11:39 The Six Road. 12:25 am Post-

9:15 am No 73 followed by Speedy and Dail 1:00 pm Link, 1:15 Action 1:27 TVS Weath 1:30 Enterprise South, 4:15 The Classic Carton 4:10 Referent 8:20 Knights of God

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9:25 am Su

SCOTTISH

Army7-1:15 Link. 1:30 Advice With Anno Hales. -1:38 Farming Weather. 4:18 Cartoon Time. 8:08 Finding Fax Future. 6:08 Bullerye. 6:38 Uster Hometime. 8:107 Ulater Hewatime. 11:30 The Site Roed. 12:28 am Sports Results. 12:35 Ulater

YORKSHIRE

**BBC RADIO 2** 7:00 and Roger Royle sees 'Good Marring Sun-day', 2:05 Meladies For You. 11:00 Dearnord Carrington with your Radio 2 Alf-Time Greets, 2:00-pm Benny: Green, 3:00 Alan Det with Sounds Easy, 4:00 Brooks, Astron's Serenade. 4:00 Charle Chester with your Sunday Sceptors. 7:00 The Random Letters of Livery Suppose.

7:30 len Wellace Presents... \$:30 Sunday Hall-Hour. \$:30 Your Hundred Best Tunes. 19:35 Songs From The Shows. 19:55 Jonathan Ple-wright at the pieco. 11:30 Sounds of Jazz with Tony Russell. 1:30 am Bill Rennels 1:50 au

**BBC RADIO 3** 

7:39 on News, 7:16 Sunday Papers, 7:15 On Your Farm, 7:46 Sunday, 8:39 The Week's Good Cause. 8:38 Week's Sunday, 8:39 The Week's Good Papers. 8:15 News, 8:76 Sunday Papers. 8:15 Sunday Sunda

Firmeda. 5:00 Nave; Down Your Way, 2:50 Shiping Forecast, 5:55 Weather, 6:30 Nave; 6:75 Feedback; Christopher Duniday follows up year commercis about 69C programmes and policies, 6:30 Nave; Southfully Retirestings Associated, 7:30 Nave; Southfully Christopher (Christopher Christopher (Christopher Christopher (Christopher Christopher (Christopher Christopher (Christopher (Christop International Assignment. 7:00 News; Soundries, 63-7:20 Castejoment. 7:00 News; Soundries, 63-7:20 Castes in Spain (s). 4:00 Bookstell, 4:30 A Word in Edgeways. 4:30 News; Ar Englishment; Flower, 9:15 The News of Size Vision (s). 4:00 News; Ar Englishment of Degeneration, 11:00 The Fox of the Netter 11:30 Seeds of Felth (s). 12:49-52:31 as Netter.

